United States Court of Appeals

for the Second Circuit

EXHIBITS

75-7632

In The

United States Court of Appeals

For The Second Circuit

NEW WATCH-DOG COMMITTEE, THOMAS M. IANDOLI, Ray Cannon, James Nitecki, Ernesto Isaac, Peter Behrens, Anthony Fasolina, Al Bernstein, Matthew Riccardello, Harvey McLemore, Earl Winthal and John Hajek, on behalf of themselves individually and on behalf of all others similarly situated,

Plaintiffs-Appellants,

vs.

HARRY VAN ARSDALE, JR., President, CHARLES BONO, BEN GOLDBERG, HARRY MENDEZ, ROBERT J. PANCALDO, ELIAS RICK, HOWARD WILLIAMS, Vice Presidents, JOSEPH PARADISE, Secretary, RICHARD WM. ROGERS, SR., Recording Secretary, HERMAN MEYERS, Treasurer, SID PACK, LUIS PEREZ, SAM EASTMAN, LEONARD FINE, ALBERT A. FOSTER, PETER TANNENBAUM, ARTHUR STRICKLAND, EDWARD ZARR, Executive Council Members, as officers of the NEW YORK CITY TAXI DRIVERS UNION, LOCAL 3036, AFL-CIO, and individually; NEW YORK CITY TAXI DRIVERS UNION, LOCAL 3036, AFL-CIO GEORGE MEANY, President, LANE KIRKLAND, Secretary Treasurer, JOSEPH D. KEENAN, PAUL HALL, PAUL JENNINGS, A. F. GROSPIRON, PETER BOMMARITO, FREDERICK O'NEAL, JERRY WURF, JAMES T. HOUSEWRIGHT, MARTIN J. WARD, JOSEPH P. TONELLI, C. L. DELLUMS, RICHARD F. WALSH, I. W. ABEL, MAX GREENBERG, MATHEW GUINAN, PETER FOSCO, FLOYD E.SMITH, S. FRANK RAFTERY, GEORGE HARDY, WILLIAM SIDELL, ALBERT SHANKER, FRANCIS S. FILBEY, LEE W. MINTON, HUNTER P. WHARTON, JOHN H. LYONS, C. L. DENNIS,

UNITED STATES COURT OF APPEALS
FILED
JAN 5 - 1976
A. DANIEL FUSARO, CLERK
SECOND CIRCUIT

JOINT EXHIBIT VOLUME

(Cont'd)

THOMAS GLEASON, LOUIS STULBERG, ALEXANDER J. ROHAN, AL. H. CHESSER, MURRAY H. FINLEY, SOL STETIN, GLENN E. WATTS, Executive Council Members, as officers of the American Federation of Labor and Congress of Industrial Organizations, and individually; the AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,

Defendants-Appellees.

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INDEX TO EXHIBIT VOLUME

AFL-CIO LETTER OF AUGUST 11, 1975----------1

LOCAL 3036 LETTER OF SEPTEMBER 25, 1975----------2

LOCAL 3036 CONSTITUTION AND BY-LAWS IN EFFECT IN 1966 AND AS AMENDED SINCE SAID DATE EXCERPTS--------3

AFL-CIO CONSTITUTION IN EFFECT IN OCTOBER, 1975----------12

AFL-CIO 11TH CONSTITUTIONAL CONVENTION REPORT OF PROCEEDINGS----------13

AFL-CIO EXECUTIVE COUNCIL REPORT DATED OCTOBER 2,1975-----14

LOCAL 3036 COLLECTIVE BARGAINING AGREEMENT IN EFFECT IN 1975 EXCERPTS----------15

AFL-CIO DIRECTLY AFFILIATED LOCAL UNION RULES AS AMENDED THROUGH 1960(YELLOW COPY)----------16

AFL-CIO DIRECTLY AFFILIATED LOCAL UNION RULES AS AMENDED THROUGH 1973(ORANGE COPY)----------17

MARCH 14,1969 TAXI DRIVERS VOICE NEWSPAPER EXCERPTS-------18

FEBRUARY 26,1969 TAXI DRIVERS VOICE NEWSPAPER EXCERPTS----19

JANUARY 24, 1969 TAXI DRIVERS VOICE NEWSPAPER EXCERPTS----22

SPECIAL MEMBERSHIP MEETING(FEBRUARY 11,1969)BALLOT ON DUES INCREASE----------26

AFL-CIO LETTER OF AUGUST 11, 1975

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

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PRESIDENT

LANE KIRKLAND
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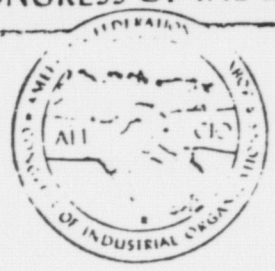

815 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

(202) 637-5000

August 11, 1975

To: All Directly Affiliated Local Unions

Dear Sirs and Brothers:

On July 30, 1975 the Executive Council considered a report of a subcommittee dealing with minimum dues of Directly Affiliated Local Unions.

Upon conclusion of such consideration, and pursuant to the authority vested in it by the AFL-CIO Constitution, the Executive Council determined that effective November 1, 1975, each Directly Affiliated Local Union shall collect membership dues of not less than six dollars ($6.00) per member per month.

We anticipate that you will make appropriate and timely notification to your membership, in implementing this decision.

With kind personal regards, I am

Fraternally,

Lane Kirkland

Lane Kirkland
Secretary-Treasurer

cc: Regional Directors

NEW YORK CITY
TAXI DRIVERS UNION AFL-CIO
Local 3036

Phone 679-2600

386 PARK AVENUE SOUTH, NEW YORK, N. Y. 10016, 7TH FLOOR

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ROBERT J. PANCALDO

Secretary
JOSEPH PARADISE

Recording Secretary
RICHARD WM. ROGERS, SR.

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Vice Presidents
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Queens
ARTHUR STRICKLAND
EDWARD ZARR

Trustees
WILLIAM DEEGAN
BENJAMIN DE PASQUALE
ALBERT THOMAS

Attorney
DONALD MENAGH

September 25, 1975

Dear Brothers and Sisters,

Please read the enclosed letter from the AFL-CIO that was sent to Local 3036 and all other Directly Affiliated Local Unions.

As you can see, we have been directed by the AFL-CIO to collect dues of not less than $6.00 per month.

This action was taken after an examination by the AFL-CIO of the essential needs and functions of all Directly Affiliated Local Unions, including Local 3036.

Effective for the dues period beginning November 1, 1975, dues will be $6.00 per month for all members of Local 3036 and all members of the collective bargaining unit represented by Local 3036, regardless of category.

This monthly amount is the minimum that Local 3036 is permitted to collect, and only the minimum amount will be collected.

Fraternally yours,

Joseph Paradise

Joseph Paradise
Secretary

NAME AND LOCATION

This organization shall be known as the N.Y.C. Taxi Drivers Union Local 3036, AFL-CIO, hereafter referred to as "The Taxi Drivers Union 3036, AFL-CIO" or the "Union" or the "Organization.

This organization shall be a local union affiliated with the American Federation of Labor and Congress of Industrial Organizations and shall conform to the regulations and Constitution of the AFL-CIO.

This organization and its official headquarters shall be located at 386 Park Avenue South, in the City of New York.

MEMBERSHIP

All persons now members and in good standing in this Union shall continue to remain as such. All persons wishing to secure membership in this Union must be engaged in the taxicab industry within the geographical jurisdiction encompassed by the charter of the American Federation of Labor and Congress of Industrial Organizations.

These persons shall include drivers and inside workers in the garages of this industry.

All persons otherwise qualified shall be eligible for membership in this Union regardless of sex, race, color, nationality, ethnic background or religious belief.

All those wishing to become members shall make application in accordance with the procedures adopted by the Union for this purpose which are as follows:

Applicants for membership shall file with the Union the official application blank and shall answer all relevant questions. Misrepresentation of any information shall give the Union the right at any time to expel such member and to cancel any of its obligations to such member. Such member if expelled shall be entitled to no benefits whatsoever.

Applications for membership by qualified persons shall be accepted when made, subject to approval by the Executive Council. All payments required by this Constitution and By-Laws shall be made in full upon submission of each application.

All members shall pledge to abide by the Constitution and By-Laws and Rules and Regulations of the Union.

GENERAL MEMBERSHIP ASSEMBLY

The General Membership Assembly shall be the highest governing body of this Union. It shall hold regular citywide meetings of the total membership of this Union twice each year on the second Wednesday of the months of April and October.

The General Membership Assembly shall mandate, direct and be the highest supreme body in the policy determinations of this Union. It shall be the tribunal of membership participation in all matters pertaining to the welfare, conduct, direction, aims and aspirations of this Union. All decisions shall be by majority vote unless otherwise provided in this Constitution. 10% of the membership shall constitute a quorum. Special Meetings of the General Membership Assembly may be called by the President and/or the Executive Board or upon signed petition by 20% of members in good standing. Not less than 15 days notice shall be given for such meeting unless the nature of the emergency should warrant otherwise; 15% of the membership shall constitute a quorum for such meeting.

Notice for such Special meeting shall include the specific business for which such meeting is called. No other business shall be transacted at this Special Meeting. All such meetings shall be held in the City of New York.

The agenda for such meetings shall include, but not be restricted to:

(A.) Call to order

(B.) Roll call of officers and Council Members.

(C.) Reading of the Minutes of the preceding

(D.) State of the Union Report by the President.

(E.) Reports of other officers.

(F.) Report of the finances, including all incomes and expenditures.

(G.) Communications.

(H.) Report of Trustees.

(I.) Oath of office to new members.

(J.) New Business.

(K.) Good and Welfare.

(L.) Adjournment.

The meetings of the General Membership Assembly shall start at 8:00 P.M. and shall adjourn not later than 11:00 P.M. No other membership meetings shall be held on the same day or night. Any actions taken after adjournment of this meeting shall be null and void. The presiding chairman over such meeting is instructed to enforce compliance of this regulation.

ENDED

FINANCES

Revenue-Expenditures

The finances of this organization shall be derived primarly from initiation fees and dues as provided in this Constitution and By-Laws. Membership dues in this Union shall be:

$3.50 per month for each 5-day a week employee

$2.80 per month for each 4-day a week employee

$2.10 per month for each 3-day a week employee

$1.40 per month for each 2-day a week employee

70¢ per month for each 1-day a week employee

Dues for regular salaried ~~or full-time persons~~ shall be $3.50 per month. All dues shall become due and payable the first of each calender month in advance. All members to qualify for employment shall have their dues paid in advance for the current month.

An initiation fee of $10 shall be paid by non-members seeking membership in this Union ~~effective October 1, 1960~~. Such initiation fee of $10 shall include the first month's dues.

An initiation fee for part-timers shall be based in proportion to the number of days worked and shall include the first month's dues.

Members who are in arrears in their dues for 3 months shall be considered not in good standing in this Union and shall not enjoy nor be entitled to any of the benefits, rights and privileges of this Local Union. Any member who has been suspended shall be considered as not in good standing.

Per Capita to AFL-CIO

This Local Union shall pay monthly to the Secretary-Treasurer of the American Federation of Labor and Congress of Industrial Organizations a per capita tax of $1.50 per member per month, such tax to be paid for each month on or before the 15th day of the preceding month. This Local Union shall pay monthly to the Secretary-Treasurer of the AFL-CIO $1.50 for each initiation fee collected by the Union.

22 NOTE AMENDED

amended 2-11-69 see page 40 amendment #1

DEFENSE FUND
STRIKES-LOCKOUTS

The sum of twenty-five (25¢) cents per member per month shall be deducted and set aside from each membership dues payment, and deposited in a separate account at a bank of the Local Union to be determined by the Executive Council, as a special Defense Fund. Such fund shall be for the defense of this Union and its membership caused by or related to strikes or lockouts, and for legal and related expenses. This provision shall be adopted in accordance with the Rules Governing Directly Affiliated Local Unions issued by the Executive Council of the American Federation of Labor and Congress of Industrial Organizations and the regulations adopted by this Local Union.

Such Fund shall be available in whole or in part to support our membership in the event of strikes or lockouts of this Local Union only when such strikes are authorized, endorsed and conducted in conformity with the provisions of Rules 14-19 of "Rules Governing DALUs" issued by the AFL-CIO Executive Council and requirements adopted by this Union.

Authorization by President: In the event of a disagreement between this Local Union and an employer which, in the opinion of this local union, may result in a strike, the union shall notify the President of the AFL-CIO. The President, or, at his option, his designee, shall thereupon look into the matter and endeavor to adjust the difficulty. If these efforts prove futile, and if the President shall decide that a strike is necessary he shall authorize the Local Union to order a strike.

Strike Vote: When a strike has been authorized by the President of the AFL-CIO the President of this Local Union shall, within 24 hours, call a meeting of the members directly involved to take a strike vote. Only members in good standing shall vote. If, but only if, a majority of the members present vote to strike, the President of the Local Union may call a strike. In that event he shall immediately notify the President of the AFL-CIO of the initiation of the strike and of the number of members who may be eligible for the benefits provided in Rule 16 of Rules governing directly affiliated Local Unions.

Strike Benefits: When a strike has been called in accordance with the provisions of rules 14 and 15, the AFL-CIO shall pay to the Treasurer of this Local Union or his order, an amount equal to twenty dollars ($20.00) per week for each member eligible to receive strike benefits. Benefits shall not be paid for the first 2 weeks of the strike; but shall be paid weekly thereafter for the duration of the strike or for 10 weeks, whichever is shorter. The President of the AFL-CIO shall have the power to authorize the payment of strike benefits for additional periods. This Local Union may at its discretion supplement such benefits from its Defense Fund.

36

AMENDMENTS

In the event that this Constitution and By-Laws may be in conflict with the Constitution and By-Laws of the American Federation of Labor and Congress of Industrial Organizations, the American Federation of Labor and Congress of Industrial Organizations Constitution shall prevail.

Amendments to this Constitution and By-Laws shall become effective only upon the written authorization of the President of the American Federation of Labor and Congress of Industrial Organizations.

Proposed amendments to this Constitution and By-Laws shall be submitted in writing to the union and shall be published in the official union publication "Taxi Drivers Voice" not less than 15 days prior to the next meeting of the General Membership Assembly where such amendment or amendments shall be acted upon.

It shall take a vote of 2/3 of the members present for adoption.

Amendments to Local 3036, AFL-CIO, Constitution and By-Laws Ratified by Membership at February 11, 1969 Special Meeting

"Defense Fund Strikes, Lockouts" Amendment No. 1

"The sum of five cents (5c) per member per month shall be deducted and set aside from each membership dues payment."

"Nominations And Elections Of Officers" "Executive Council And Trustees" Amendment No. 2

"Only members in continuous good standing in this union for at least two (2) years prior to the opening date of nomination shall qualify as nominees or candidates for Officers, Executive Council and Trustees."

"Structure: Officers, Executive Council, Trustees" Amendment No. 3

"The term of office for each of the officers and members of the Executive Council and Trustees shall be for a three (3) year period."

"Funds" Amendment No. 4

"The Executive Council by a 2/3 vote may select and designate an alternate signator for all checks drawn upon the Union Funds."

"Revision In Dues And Initiation Fee Structure" Amendment No. 5

(In conformity with the Landrum-Griffin Act, this section will be voted upon by secret ballot.)

"Membership dues shall be $3.50 per month for each member working four (4) days or more per week."

"Dues shall be $2.50 per month for part-time members working three days a week or less."

"An initiation fee of $10 shall be paid by non-members working four (4) days or more per week seeking membership in this union. Such initiation fee of $10 shall include the first month's dues."

"An initiation fee of $6.00 shall be paid by non-member part-timers working three (3) days or less per week seeking membership in this union. Such initiation fee of $6.00 shall include the first month's dues."

"Seventy cents (70c) of each member's monthly dues shall be set aside and placed in the Union Death Benefit Fund."

"General Membership Assembly" Amendment No. 6

Delete the following:

"10% of the membership shall constitute a quorum.

"15% of the membership shall constitute a quorum for such meeting."

Any wording in this Constitution and By-Laws that is in conflict with these adopted amendments shall be revised accordingly.

From AFL-CIO President Meany

March 18,1969

Dear Sir and Brother:

This is to acknowledge your letter of March 7 with attached amendments to the Constitution and By-Laws of Taxi Drivers Union, Local 3036, AFL-CIO, which were submitted for approval.

In accordance with Rule 3 of the Rules Governing Directly Affiliated Local Unions, I hereby approve the amendments as submitted.

With every good wish, I am

Sincerely and fraternally,
GEORGE MEANY
President, AFL-CIO

Wed April 8. 1970

The following proposal for amendment of the existing Constitution and By-Laws is being submitted for the approval of the membership by President Harry Van Arsdale, Administrative Assistants to the President, Robert Pancaldo and Ben Goldberg, and Secretary Thomas Iandoli:

Proposed:

That the President, Vice-Presidents and Secretary shall receive the sum of $125.00 weekly as salary.

That, after 1 year of satisfactory service, the Executive Council sh be authorized to grant an increase in salary not to exceed $25.00 weekly provided such increase is favorably recommended by the President.

That, after 3 years of satisfactory service, the Executive Council shall be authorized to grant an additional increase in salary not to exce $30.00 weekly provided such increase is favorably recommended by the President.

The following proposal for amendment of the existing Constitution an By-Laws with respect to that part dealing with "Finances" is being submit for the approval of the membership:

Proposed: The following paragraph shall be added:

Each member shall be responsible for the advance payment of his dues directly to the Union offices at 386 Park Avenue South, 7th Floor, New York, N.Y. 10016, and payment of said dues shall be made in advance by ma or in person.

Proposed: That portion dealing with the amount of dues paid by the member shall be omitted and replaced by the following:

Membership dues shall be $7 for each two month period for every memb working 4 days or more per week.

Membership dues shall be $5 for each two month period for every part time driver working 3 days a week or less.

Each two months dues period shall begin:

January 1	July 1
March 1	September 1
May 1	November 1

The change in the payment of union dues proposed in the amendment to our union's Constitution and By-Laws in no way changes the amount of dues a member pays. The proposed method of payment will relieve the burden pla upon the clerical staff of our union and garage chairmen and committeemen The payment of union dues as suggested in the proposed amendment to our u Constitution and By-Laws, will prove to be advantageous to the members be it will serve to protect their good union standing.

The following proposal for amendment of the existing Constitution an By-Laws with respect to that part dealing with "Duties of Chairman and Committeemen" is being submitted for the approval of the membership:

(continued)

AFL-CIO CONSTITUTION IN EFFECT IN OCTOBER, 1975

AFL-CIO

Constitution

AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS

CONSTITUTION

of the

American Federation of Labor and Congress of Industrial Organizations

As amended by the Tenth Constitutional Convention of the AFL-CIO, October 18-23, 1973

American Federation of Labor and
Congress of Industrial Organizations

GEORGE MEANY, *President*

LANE KIRKLAND, *Secretary-Treasurer*

815 16th St., N.W.

WASHINGTON, D. C. 20006

AFL-CIO Publication No. 1

CONTENTS

CONSTITUTION OF THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

(This table of contents is limited to the specific provisions of the Constitution embraced within the Articles mentioned and does not attempt a specification of the provisions of the attached AFL-CIO Merger Agreement which has been made a part of the Constitution.)

An alphabetical index will be found at the end of this book.

Article — Page

PREAMBLE 1

I. NAME 2

II. OBJECTS AND PRINCIPLES 2

III. AFFILIATES 5

Sec.

1. Composition of Federation 5
2. Retention of charter by affiliates of former AFL or CIO 5
3. Retention of organizing jurisdiction by affiliates of former AFL or CIO; conflicting and duplicating jurisdictions of such affiliates 6
4. Preservation and maintenance of integrity of affiliates; respect for established collective bargaining relationship and methods for enforcement 6
5. Status of State and Territorial Federations of Labor, Local Central Bodies, State and Local Industrial Councils affil-

Article III Continued Page

iated with former AFL or CIO, and provisions for merger of these groups.. 7
6. Provisions for continuance of Departments of AFL 8
7. Issuance of charters to new affiliates ... 8
8. Suspension and revocation of charters of affiliates 8
9. Ineligibility as affiliates of organization dominated by subversive influence 9
10. Elimination of conflicts and duplications in organizing and jurisdiction through voluntary action 9

IV. CONVENTION 9

Sec.
1. Supreme governing body 9
2. Time of regular conventions 9
3. Special conventions 10
4. Delegates, number of 10
5. Delegates, time for designation by affiliates 11
6. Organizations ineligible for representation or recognition in Federation 11
7. Requisites for representation and recognition 12
8. Basis for recognition of number of delegates 12
9. Convention committees, appointment of. 13
10. Resolutions, petitions and memorials ... 13
11. Credentials, time for distribution by Secretary-Treasurer and submission by affiliates 15

Article IV Continued Page
12. Credentials Committee 15
13. Status of Executive Council members as delegates 15
14. Fraternal delegates 15
15. Presiding Officer 15
16. Quorum 16
17. Basis and manner of voting 16
18. Rules and order of business 16
19. Convention actions, time for taking effect 16

V. OFFICERS 16
Sec.
1. Executive Officers and Vice-Presidents.. 16
2. Eligibility requirements 16
3. Elections 17
4. Term of office 18
5. Vacancy in office of President or Secretary-Treasurer 18
6. Vacancy in office of Vice-President 18
7. National Headquarters 18
8. Trustees, title to real estate 18
9. Retirement of Executive Officers 18
10. Ineligibility to hold office if member or supporter of a subversive group 20

VI. DUTIES OF PRESIDENT 20
Sec.
1. Chief Executive Officer 20
2. Constitution, interpretation of 20
3. Compensation 20
4. Employees of Federation, control by President 21
5. Report to Conventions 21

Page

VII. DUTIES OF SECRETARY-TREASURER .. 21

Sec.

1. Chief financial officer 21
2. Custodial responsibilities 21
3. Convention responsibilities 21
4. Duty of affiliates to submit data to Secretary-Treasurer 22
5. Bond furnished by Secretary-Treasurer; report to biennial convention; compensation 22
6. Financial statements 22
7. Audits 22
8. Investment of funds 23

VIII. EXECUTIVE COUNCIL 23

Sec.

1. Composition 23
2. Status 23
3. Meetings 23
4. Duties with respect to legislative matters 24
5. Report to Convention 24
6. Rules, power to make 24
7. Power to investigate corrupt or subversive influence, including authority to suspend 24
8. Assistance in organizing activities (See Article XI) 25
9. Recognition of equality of status of craft and industrial unions as methods of organization and of fact that all

Article VIII Continued Page

workers shall share in full benefits of organization 26

10. Quorum 26

11. Hearing and report with respect to charges against Executive Officers or members of Executive Council 26

12. Power to refuse to seat or to remove officers 26

13. Termination of suspension of affiliate.. 27

14. Approval necessary to effect change of name or title of affiliate 27

15. Reimbursement for necessary expenses of Executive Council members 27

IX. GENERAL BOARD 27

Sec.

1. Composition 27
2. Meeting 28
3. Function of General Board 28
4. Method of and basis for voting 28

X. DEPARTMENT OF ORGANIZATION 29

Sec.

1. Authority to conduct organizing work under supervision of President 29
2. Director of Organizing 29

XI. TRADE AND INDUSTRIAL DEPARTMENTS 29

Sec.

1. Composition of Departments; status; affiliation open to appropriate affiliates .. 29

Article XI Continued Page

2. Department affiliates must remain in affiliation with Federation 30
3. Local Unions, requirements for membership in local councils or railway system Federations of Departments 30
4. Compliance by Departments with Constitution and Rules of Federation 30
5. Affiliation of eligible organizations to Departments; compliance with its actions and decisions; per capita tax payments to Departments 30
6. Report of Department Officers to Executive Council 31
7. Executive Officer of Department to appear at Executive Council 31
8. Location of Department offices 31

XII. COMMITTEE AND STAFF DEPARTMENTS 31

Sec.

1. Appointment and combination of committees by President; list of standing committees and their functions 33
2. Provisions for establishment of staff departments 35
3. Committees and staff departments to have adequate staff subject to direction of President 35

XIII. STATE AND LOCAL CENTRAL BODIES 35

Sec.

1. Establishment and composition of State and Local Central Bodies 35

Article XIII Continued Page

2. Instructions to local unions with respect to their affiliation with Local Central Labor Bodies 36
3. Authorization to Executive Council to issue Rules governing Central Labor Bodies 36
4. Status of funds and property of State and Local Central Bodies upon dissolution, suspension, or revocation of charter; reimbursement to Federation for expenses in recovering such funds and property 37
5. Merger of existing State and Local Central Bodies and status pending such merger 37

XIV. LOCAL UNIONS DIRECTLY AFFILIATED TO THE FEDERATION, ORGANIZING COMMITTEES AND NATIONAL COUNCILS 38

Sec.

1. Issuance of charters and certificates of affiliation to organizing committees and directly affiliated local unions 38
2. Authorization to Executive Council to issue rules governing directly Affiliated Unions, Organizing Committees, National Councils; status of funds and properties upon dissolution, suspension or revocation of charter; reimbursement to Federation for expenses in recovering such funds and property 38
3. Duty of Executive Council to combine di-

Article XIV Continued Page
rectly affiliated local unions in related fields into National and International Unions or National Councils; status of organizing committees 39
4. Per capita payment 40
5. Status in Federation of Local Trade, Federal Labor Unions and Local Industrial Unions 40
6. Continuance of defense fund and conditions attached thereto 40

XV. PER CAPITA TAX AND ASSESSMENTS 41

Sec.
1. Per capita tax payment to be paid upon full paid up membership of affiliated National or International Union, Organizing Committee or Directly Affiliated Local Union 41
2. National and International Union per capita tax; account of, and time for payment, of per capita tax by National or International Union or Organizing Committee 41
3. Provisions for payment of per capita initiation fee by Directly Affiliated Local Unions 41
4. Assessments 41
5. Suspension of affiliated organizations in arrears in payment of per capita tax assessments; reinstatement 42
6. Fee for certificate of affiliation 42
7. Annual fee for State and Local Central Bodies 42

Article XV Continued Page

8. Exoneration from payment of per capita tax and assessments; status of exonerated members 42

XVI. AMENDMENTS 42

XVII. EXISTING AGREEMENTS 43

Sec.

1. AFL-CIO Merger Agreement made a part of Constitution 43
2. Provisions for preservation, extension and amendment of AFL-CIO No-Raiding Agreement; maintenance of CIO Organizational Disputes Agreement and AFL Internal Disputes Plan; provision for establishment of joint committee to formulate means for incorporating these agreements into a combined no-raiding and organizational and jurisdictional disputes agreement 43

XVIII. INITIAL CONVENTION 44

Sec.

1. Initial convention governed by provisions of this Constitution except as otherwise provided in this act 44
2. Calling and setting time and place for initial convention 44
3. Credentials Committees, accrediting of delegates 44
4. Basis of determining total number of votes at initial convention 44
5. Authority of Joint AFL-CIO Unity

Article XVIII Continued Page
Committee with respect to conduct of initial convention 45
XIX. EFFECTIVE DATE OF CONSTITUTION AND AFL-CIO MERGER AGREEMENT .. 45
XX. SETTLEMENT OF INTERNAL DISPUTES 45
Sec.
1. Applicable to all affiliates 45
2. Collective bargaining relationship 46
3. Established work relationship 46
4. Special or unusual circumstances 47
5. Organizing literature 47
6. Limitation 47
7. Procedural rules 47
8. Panel of mediators 48
9. Impartial Umpires 48
10. Duties of Impartial Umpire 48
11. Extension of time limit 49
12. Appeal from determination of Umpire .. 49
13. Referral to Executive Council 50
14. Procedure in case of non-compliance 50
15. Penalties for non-compliance 50
16. Restoration of right to non-complying affiliates 51
17. Procedure to establish justification for action 52
18. Delegation of President's powers 53
19. Procedure when affiliates involved in dispute have written agreement 53
20. Court or legal proceedings 53
21. Effective date 54
22. Amendments to Article 54

AGREEMENT FOR THE MERGER OF THE AMERICAN FEDERATION OF LABOR AND THE CONGRESS OF INDUSTRIAL ORGANIZATIONS.

Page

Agreement to Merge 55
Principles of Merger 55
Government and Structure 57
Finances 60
Existing Agreements 61
Methods of Merger 62

PREAMBLE

The establishment of this Federation through the merger of the American Federation of Labor and the Congress of Industrial Organizations is an expression of the hopes and aspirations of the working people of America.

We seek the fulfillment of these hopes and aspirations through democratic processes within the framework of our constitutional government and consistent with our institutions and traditions.

At the collective bargaining table, in the community, in the exercise of the rights and responsibilities of citizenship, we shall responsibly serve the interests of all the American people.

We pledge ourselves to the more effective organization of working men and women; to the securing to them of full recognition and enjoyment of the rights to which they are justly entitled; to the achievement of ever higher standards of living and working conditions; to the attainment of security for all the people; to the enjoyment of the leisure which their skills make possible; and to the strengthening and extension of our way of life and the fundamental freedoms which are the basis of our democratic society.

We shall combat resolutely the forces which seek to undermine the democratic institutions of our nation and to enslave the human soul. We shall

strive always to win full respect for the dignity of the human individual whom our unions serve.

With Divine guidance, grateful for the fine traditions of our past, confident of meeting the challenge of the future, we proclaim this constitution.

ARTICLE I
NAME

This Federation shall be known as the American Federation of Labor and Congress of Industrial Organizations. It is established pursuant to and as a result of a merger agreement between the American Federation of Labor and the Congress of Industrial Organizations. It shall consist of such affiliates as shall conform to its constitution and the rules and regulations adopted thereunder.

ARTICLE II
OBJECTS AND PRINCIPLES

The objects and principles of this Federation are:

1. To aid workers in securing improved wages, hours and working conditions with due regard for the autonomy, integrity and jurisdiction of affiliated unions.

2. To aid and assist affiliated unions in extending the benefits of mutual assistance and collective bargaining to workers and to promote the organization of the unorganized into unions of their own choosing for their mutual aid, protection and advancement, giving recognition to the principle that both craft and industrial unions are appropriate, equal and necessary as methods of union organization.

ARTICLE II—Objects and Principles

3. To affiliate national and international unions with this Federation and to establish such unions; to form organizing committees and directly affiliated local unions and to secure their affiliation to appropriate national and international unions affiliated with or chartered by the Federation; to establish, assist and promote state and local central bodies composed of local unions of all affiliated organizations and directly affiliated local unions; to establish and assist trade departments composed of affiliated national and international unions and organizing committees.

4. To encourage all workers without regard to race, creed, color, sex, national origin or ancestry to share equally in the full benefits of union organization.

5. To secure legislation which will safeguard and promote the principle of free collective bargaining, the rights of workers, farmers and consumers, and the security and welfare of all the people and to oppose legislation inimical to these objectives.

6. To protect and strengthen our democratic institutions, to secure full recognition and enjoyment of the rights and liberties to which we are justly entitled, and to preserve and perpetuate the cherished traditions of our democracy.

7. To give constructive aid in promoting the cause of peace and freedom in the world and to aid, assist and cooperate with free and democratic labor movements throughout the world.

ARTICLE II—Objects and Principles

8. To preserve and maintain the integrity of each affiliated union in the organization to the end that each affiliate shall respect the established bargaining relationships of every other affiliate and that each affiliate shall refrain from raiding the established bargaining relationship of any other affiliate and, at the same time, to encourage the elimination of conflicting and duplicating organizations and jurisdictions through the process of voluntary agreement or voluntary merger in consultation with the appropriate officials of the Federation, to preserve, subject to the foregoing, the organizing jurisdiction of each affiliate.

9. To aid and encourage the sale and use of union made goods and union services through the use of the union label and other symbols; to promote the labor press and other means of furthering the education of the labor movement.

10. To protect the labor movement from any and all corrupt influences and from the undermining efforts of communist agencies and all others who are opposed to the basic principles of our democracy and free and democratic unionism.

11. To safeguard the democratic character of the labor movement and to protect the autonomy of each affiliated national and international union.

12. While preserving the independence of the labor movement from political control, to encourage workers to register and vote, to exercise their full rights and responsibilities of citizenship, and to

perform their rightful part in the political life of the local, state and national communities.

ARTICLE III

AFFILIATES

Section 1. The Federation shall be composed of (1) affiliated national and international unions and organizing committees, (2) directly affiliated local unions (such as Local Trade Unions, Federal Labor Unions, and Local Industrial Unions) and national councils thereof, (3) state and local central bodies (such as State and Territorial Federations, City Central Labor Unions and Industrial Union Councils), and (4) trade and industrial departments.

Sec. 2. Each national and international union and each federal labor union affiliated with the American Federation of Labor at the time of the adoption of this constitution by reason of a charter or certificate of affiliation granted by that federation and each national and international union, organizing committee and local industrial union affiliated with the Congress of Industrial Organizations at the time of the adoption of this constitution by reason of a charter or certificate of affiliation granted by that federation shall retain its charter or certificate, which shall become and be a charter or certificate of this Federation and, by virtue of the same and as a result of the merger between the American Federation of Labor and the Congress of Industrial Organizations, shall be an

affiliate of this Federation and subject to its rules and regulations.

Sec. 3. Each such affiliate shall retain and enjoy the same organizing jurisdiction in this Federation which it had and enjoyed by reason of its prior affiliation with either the American Federation of Labor or the Congress of Industrial Organizations. In cases of conflicting and duplicating jurisdictions involving such affiliates the President and the Executive Council of this Federation shall seek to eliminate such conflicts and duplications through the process of voluntary agreement or voluntary merger between the affiliates involved.

Sec. 4. The integrity of each such affiliate of this Federation shall be maintained and preserved. Each such affiliate shall respect the established collective bargaining relationship of every other affiliate and no affiliate shall raid the established collective bargaining relationship of any other affiliate. When a complaint has been filed with the President by an affiliate alleging a violation of this section by another affiliate, that has not been settled under the provisions of the No-Raiding Agreement referred to in Article XVII, the President shall endeavor, by consultation with the appropriate officers of both affiliates, to settle the matter by voluntary agreement between such affiliates. In the event no such voluntary agreement is reached within a reasonable time the President shall report to the Executive Council with such recommendations as he may deem appropriate. Upon such report being

submitted, the Executive Council shall consider the same, shall hear the appropriate officers of the affiliates involved, and shall make such decision as it believes to be necessary and proper to carry out the provisions of this section. In the event an affiliate shall fail to comply with such decision, the Executive Council shall submit the matter to the convention for such action as the convention may deem appropriate under the provisions of this constitution. *(See Article XX, Page 45)*

Sec. 5. State and Territorial Federations of Labor and Local Central Bodies affiliated with the American Federation of Labor at the time of the adoption of this Constitution, and State and Local Industrial Union Councils affiliated with the Congress of Industrial Organizations at the time of the adoption of this constitution, shall become and be affiliates of this Federation and shall, as such, continue to exist as state, territorial and local central bodies, each representing the respective federal labor unions or local industrial unions now affiliated to such central body and such local unions now affiliated to such central body as are affiliated with a national or international union or organizing committee affiliated with this Federation. Provided, however: That a merger of these state, territorial and local central bodies, heretofore affiliated with the American Federation of Labor or the Congress of Industrial Organizations, shall be effected within two years after the adoption of this constitution, through the process of negotiation and

agreement under the guidance of the President of this Federation and its Executive Council.

Sec. 6. Existing departments of the American Federation of Labor at the time of the adoption of this constitution shall continue as trade departments of this Federation with the rights of and subject to the rules governing trade and industrial departments provided in Article XII.

Sec. 7. The Executive Council shall have power to issue charters or certificates of affiliation to organizations desiring to affiliate with this Federation. This power may be delegated to the President. Subject to the provisions of Sections 2 and 3 of this Article, charters or certificates of affiliation shall not be issued to national or international unions, organizing committees, or directly affiliated local unions in conflict with the jurisdiction of affiliated national or international unions, except with the written consent of such unions, and shall be based upon a strict recognition that both craft and industrial unions are equal and necessary as methods of trade union organization and that each affiliated national and international union is entitled to have its autonomy, integrity and jurisdiction protected and preserved.

Sec. 8. Except as otherwise provided in this constitution no national or international union chartered by or affiliated with this Federation may be suspended from membership in the Federation except by a majority roll-call vote at the convention.

ARTICLE III—Affiliates

No such national or international union shall have its charter or certificate of affiliation with the Federation revoked except by a two-thirds majority roll-call vote at the convention.

Sec. 9. No organization officered, controlled or dominated by communists, fascists, or other totalitarians, or whose policies and activities are consistently directed toward the achievement of the program or purposes of the Communist Party, any fascist organization, or other totalitarian movement, shall be permitted as an affiliate of this Federation or any of its state or local central bodies.

Sec. 10. Affiliates of the Federation shall be encouraged to eliminate conflicts and duplications in organization and jurisdictions through the process of voluntary agreement or voluntary merger in consultation with the appropriate officials of the Federation.

ARTICLE IV

CONVENTION

Section 1. The convention shall be the supreme governing body of the Federation and, except as otherwise provided in this Constitution, its decisions shall be by a majority vote.

Sec. 2. The regular conventions of the Federation shall be held every two years, beginning in 1955, at a time during the last four months of the year. The time and the place for holding the regular conventions shall be designated by the Executive

Council which shall give at least 90 days' notice of the time and place designated.

Sec. 3. (a) Special conventions may be called by direction of a regular convention, by order of the Executive Council, or on request of national and international unions representing a majority of the total membership of the Federation, as evidenced by the records of the Secretary-Treasurer to the last convention.

(b) In the event a special convention has been called all affiliated organizations shall be given at least 30 days' notice, together with a statement of the particular subject or subjects to be considered at such convention.

(c) Representation to special conventions shall be on the same basis and subject to like qualifications and procedure governing regular conventions.

(d) A special convention shall be clothed with like authority and power conferred upon regular conventions, its decisions shall be equally binding and it shall be governed by the same procedure applicable to regular conventions; however, such special conventions shall be limited solely to the subject or subjects specifically and definitely indicated in the call for such special convention.

Sec. 4. Each national or international union and organizing committee shall be entitled to the number of delegates indicated in the following scale:

Less than	4,000 members	1 delegate
Over	4,000 "	2 delegates

Over	8,000	members	3 delegates
"	12,000	"	4 "
"	25,000	"	5 "
"	50,000	"	6 "
"	75,000	"	7 "
"	125,000	"	8 "
"	175,000	"	9 "

plus one additional delegate for each 75,000 members over 175,000.

Each directly affiliated local union and each national trade and industrial department shall be entitled to one delegate. Each industrial union council and each state or local central body shall be entitled to one delegate. Directly affiliated local unions, with the approval of the President, may combine with other such unions within a reasonable distance to elect a single delegate to represent such unions.

Sec. 5. Delegates to a regular convention of the Federation shall be elected or otherwise designated by the affiliate at least 30 days prior to the convention, except in cases in which the constitution of the affiliate meets within this 30-day period. The names of the delegates shall be forwarded to the Secretary-Treasurer of the Federation immediately after their selection.

Sec. 6. No organization that has seceded or has been suspended or expelled by this Federation, the American Federation of Labor, or the Congress of Industrial Organizations, or by any national or international union or organizing committee affiliated with this Federation shall, while under such pen-

alty, be allowed representation or recognition in the Federation, or in any subordinate body thereof, or in any national or international union or organizing committee affiliated with this Federation, under the penalty of the suspension of the body violating this section. No affiliate which, at the opening date of the convention, is in arrears to the Federation for per capita tax or assessments for two months or more, shall be entitled to recognition or representation in the convention.

Sec. 7. No organization shall be entitled to representation unless such organization has applied for and obtained a certificate of affiliation at least one month prior to the convention, and no person shall be recognized as a delegate who is not a member in good standing of the organization he is selected to represent.

Sec. 8. The number of members of each national and international union, organizing committee and directly affiliated local unions for the purpose of selecting delegates and for roll-call votes at the convention shall be the average monthly number on which per capita tax is paid for the 24-month period prior to and including the second month preceding the month of the opening date of the convention. Where affiliation has occurred during this 24-month period, the average shall be computed from the month of affiliation, and the number of members shall be deemed to be one twenty-fourth of such average for each month for which per capita tax has been paid. The Secretary-Treasurer shall

prepare for the use of the convention and submit to it a printed list showing the number of votes and the number of delegates to which each affiliate is entitled.

Sec. 9. The President shall appoint, in consultation with the Executive Council, prior to the opening date of the convention and subject to the approval of the convention, such committees as are necessary to conduct the affairs of the convention. Such committees may meet before the opening date of the convention and shall proceed to consider all resolutions, appeals, reports, and constitutional amendments submitted to the convention, and shall report thereon to the convention.

Sec. 10. (a) All resolutions, petitions, memorials and appeals to be considered by any convention of the Federation must be received by the Secretary-Treasurer at headquarters in Washington, D. C., 30 days immediately preceding the opening of the convention; except in instances where such matters have been acted upon and approved at a regular convention of a national or international union, or state central body, or national trade and industrial department held during this 30-day period in which event such proposals shall be received up to the opening date of the convention.

(b) All resolutions, petitions, memorials and appeals received or submitted after the time stipulated above or during the convention shall be referred to the Executive Council, and the Executive Council shall refer all such proposal or proposals

to the convention with the understanding that consideration of such proposal or proposals is dependent upon the unanimous consent of the convention.

(c) Any or all proposals emanating from directly affiliated local unions shall be referred to the Executive Council for consideration and disposition. The Executive Council shall in turn advise the convention of the disposition made of such proposal or proposals.

(d) Proposals emanating from state central bodies to receive consideration of a convention must first have received the approval of the previous convention of the state central body involved. In the case of local central bodies any proposal or proposals to be considered must have first received the approval of such central labor body at a regularly constituted meeting of such organization.

(e) Each resolution, memorial, petition, or appeal properly received for consideration by the convention, as soon as practical after receipt thereof, shall be classified by the President as to nature, contents and subject matter and referred by him to an appropriate committee, which committee shall make a report thereon to the convention prior to consideration of any such matter by the convention. He shall cause to be distributed copies of such resolutions, petitions, memorials or appeals to the delegates of the convention at the opening session thereof or as soon thereafter as practical, but before any such matters are considered by the convention.

ARTICLE IV—Convention

Sec. 11. Not less than 60 days prior to the opening of each regular convention, the Secretary-Treasurer shall furnish each affiliate with credential blanks in duplicate, which must be attested as required on the blanks. The duplicates shall be retained by the delegate, and the original sent to the Secretary-Treasurer. Subject to the provisions of Section 5 of this Article, no credentials shall be accepted later than 20 days prior to the opening date of the convention.

Sec. 12. Prior to the opening date of the convention, the Executive Council shall meet and constitute itself or a subcommittee as the Credentials Committee for the convention. Appeals from its decisions may be made to the floor of the convention. The convention shall not be constituted for business until after the Credentials Committee shall have examined and reported on credentials of all delegates present at the scheduled time on the opening date of the convention.

Sec. 13. All members of the Executive Council who are not elected as delegates shall be ex-officio delegates to the convention with all the rights and privileges of elected delegates, but without vote.

Sec. 14. Fraternal delegates attending conventions of the Federation shall be entitled to all the rights of delegates but shall not be entitled to vote.

Sec. 15. At the opening of the convention the President shall take the chair and call the convention to order, and preside during its sessions.

ARTICLE IV—Convention

Sec. 16. One-fourth of the delegates seated at any convention shall constitute a quorum for the transaction of business.

Sec. 17. Questions may be decided by division or a show of hands, but a call of the roll may be demanded by 30 percent of the delegates present. Upon such roll-call each delegate representing affiliated national or international unions, organizing committees and directly affiliated local unions shall be entitled to cast one vote for every member whom he represents. Each state and local central body and national trade and industrial department shall be entitled to one vote.

Sec. 18. The rules and order of business governing the preceding convention shall be enforced from the opening of any convention of the Federation until new rules have been adopted by action of the convention.

Sec. 19. Unless otherwise specified, any action taken by the convention shall take effect immediately upon adoption.

ARTICLE V

OFFICERS

Section 1. The officers shall consist of a President and a Secretary-Treasurer, who shall be the Executive Officers, and 33 Vice Presidents.

Sec. 2. Each officer shall be a member of an affiliated organization.

ARTICLE V—Officers

Sec. 3. The officers shall be elected by the convention, by written ballot, with each affiliate having the number of votes to which it is entitled on a roll call vote, as provided in Article IV. Nominations shall take place on the third and election on the fourth day of the convention. The Executive Officers shall be elected by majority vote. In the event that more than two candidates are nominated for President or Secretary-Treasurer, and no one candidate receives a majority of the votes cast, all except the two candidates receiving the highest votes shall be eliminated from the list of candidates and a second vote taken. The Vice Presidents shall be elected by plurality vote, and the 33 candidates receiving the highest number of votes shall be elected. In the event of a tie vote, a second vote will be taken only among the candidates whose tie prevented the election of 33 Vice Presidents. The candidates for Vice President shall be listed on the ballot in the order in which nominated. Each ballot must, to be valid, be voted for 33 candidates for Vice President and must cast the full voting strength of the delegate or affiliate voting. The ballot shall be signed by the delegate voting, and shall show the affiliation and the voting strength of the delegate. If an affiliate votes by bloc, the ballot shall be signed by the chairman of the delegation and shall show the affiliate and its voting strength. Each candidate may designate an observer who may be present during the tabulation of the signed ballots. The results of the election, including each delegate's vote or, in case of a bloc vote, each

affiliate's vote shall become an official part of the Convention record.

Sec. 4. Each officer elected at the convention shall take office immediately upon his election and shall serve until his successor is elected at the next regular convention.

Sec. 5. In the event of a vacancy in the office of either the President or the Secretary-Treasurer by reason of death, resignation or otherwise, the remaining executive officer shall perform the duties of the vacant office until a successor is elected. It shall be the duty of such executive officer to issue, within ten days of the date of the vacancy, a call for a meeting of the Executive Council of this Federation, upon ten days' notice, for the purpose of electing an executive officer to fill said vacancy for the unexpired term.

Sec. 6. In the event of a vacancy in the office of Vice President by reason of death, resignation or otherwise, the Executive Council shall have the power to fill the vacancy by majority vote of all its members for the period of the unexpired term.

Sec. 7. The national headquarters of the Federation shall be maintained by the Executive Officers at Washington, D. C.

Sec. 8. The Executive Officers shall, by virtue of their office, hold title to the real estate of the Federation as trustees for the Federation.

Sec. 9. The President and Secretary-Treasurer

of the Federation or either of them may retire after reaching age 65 years, and after having served 20 years. Time served as an officer of any organization affiliated with the Federation, or with the American Federation of Labor or the Congress of Industrial Organizations, shall be included in determining length of service hereunder. In the event of retirement such officers shall have the title of President Emeritus, or Secretary-Treasurer Emeritus and shall render service to the Federation in an advisory and consultative status. They shall be compensated for such service by the Federation for life in an annual amount, payable weekly, equal to 60 percent of either the highest annual salary received by them respectively as an Executive Officer or thereafter paid to the corresponding Executive Officer of this Federation, whichever is greater. If after attaining eligibility for retirement such Executive Officer shall die, either before or after retirement, his surviving widow shall be paid an annual annuity for life, payable in weekly installments, of 30 percent of either the highest annual salary received by such Executive Officer, as an Executive Officer, or thereafter paid to the corresponding Executive Officer of this Federation, whichever is greater. The Executive Council is authorized and directed to enter into a legal and binding agreement with the President and with the Secretary-Treasurer to make these retirement compensation and annuity benefits payable by the Federation for their intended duration, pursuant to the terms and conditions of this Section.

ARTICLE V—Officers

Sec. 10. No individual shall be eligible to serve either as an Executive Officer or as a member of the Executive Council who is a member of the Communist Party, any fascist organization, or other totalitarian movement, or who consistently pursues policies and activities directed toward the achievement of the program or the purposes of the Communist Party, any fascist organization or other totalitarian movement.

ARTICLE VI

DUTIES OF THE PRESIDENT

Section 1. The President shall function as the chief executive officer of the Federation. He shall exercise supervision of the affairs of the Federation, sign all official documents and preside at regular and special conventions, and at meetings of the Executive Council, and General Board. He shall call meetings of the Executive Council at least three times each year.

Sec. 2. The President shall have authority to interpret the constitution between meetings of the Executive Council and his interpretation shall be conclusive and in full force and effect unless reversed or changed by the Executive Council or a convention.

Sec. 3 The President shall receive for his services a salary of $90,000 per annum, payable weekly.

ARTICLE VI—Duties of the President

Sec. 4. The appointment and compensation, direction, suspension and removal of organizers, representatives, agents and employees of the Federation shall be under the direction of the President.

Sec. 5. The President shall make a report of the administration of his office and of the affairs of the Federation to the convention through the report of the Executive Council.

ARTICLE VII

DUTIES OF THE SECRETARY-TREASURER

Section 1. The Secretary-Treasurer shall be the chief financial officer of the Federation and shall receive and collect all moneys due the Federation which moneys shall be paid out only on the approval of the President.

Sec. 2. The Secretary-Treasurer shall be in charge of and preserve all moneys, properties, securities and other evidences of investment, books, documents, files and effects of the Federation which shall at all times be subject to the inspection of the President and Executive Council.

Sec. 3. The Secretary-Treasurer shall issue the call for and act as secretary at conventions, and shall cause the proceedings of all conventions and

all sessions of the Executive Council and General Board to be recorded.

Sec. 4. It shall be the duty of each national and international union, organizing committee, each trade and industrial department, state and local central bodies and each directly affiliated local union, to furnish the Secretary-Treasurer a copy of all official reports issued by such affiliated organizations together with a statement of their membership in good standing and to furnish such additional statistical data in their possession relating to the membership as may be called for by the Secretary-Treasurer of this Federation.

Sec. 5. The Secretary-Treasurer shall give a bond for the faithful performance of his duties in such amount as may be determined by the Executive Council and shall report to the biennial convention of the Federation through the report of the Executive Council, and for his services he shall receive $60,000 per annum, payable weekly.

Sec. 6. The Secretary-Treasurer shall print quarterly, as a separate document, a financial statement of the Federation and forward a copy thereof to all affiliated national and international unions, organizing committees, directly affiliated local unions and state and local central bodies.

Sec. 7. The Secretary-Treasurer shall be required, from time to time, but no less than semi-annually, to provide for an audit of all books, accounts, records and financial transactions of the

Federation by an independent public accountant. Such audits shall be furnished to the Executive Council and a biennial audit shall be furnished to the Convention.

Sec. 8. The Secretary-Treasurer shall, under the direction and instructions of the Executive Council, invest the surplus funds of the Federation in sound securities or deposit the same in a bank or banks.

ARTICLE VIII

EXECUTIVE COUNCIL

Section 1. The Executive Council shall consist of the President, the Vice Presidents and the Secretary-Treasurer.

Sec. 2. The Executive Council shall be the governing body of this Federation between conventions. It is authorized and empowered to take such action and render such decisions as may be necessary to carry out fully and adequately the decisions and instructions of the conventions and to enforce the provisions contained in this constitution. Between conventions it shall have the power to direct the affairs of the Federation and to take such actions and render such decisions as are necessary and appropriate to safeguard and promote the best interests of the Federation and its affiliated unions, including the organization of unorganized industries by means most appropriate for that purpose.

Sec. 3. The Executive Council shall meet upon the

call of the President at least three times within each year at a time and place designated by the President.

Sec. 4. It shall be the duty of the Executive Council to watch legislative measures directly affecting the interests of working people, and to initiate, wherever necessary, such legislative action as the convention may direct.

Sec. 5. The Executive Council shall prepare and present to the convention in printed form a statement of all matters of interest to the convention and of the activities of the Federation between conventions.

Sec. 6. The Executive Council shall have power to make rules to govern matters consistent with this constitution and shall report accordingly to the Federation.

Sec. 7. It is a basic principle of this Federation that it must be and remain free from any and all corrupt influences and from the undermining efforts of communist, fascist or other totalitarian agencies who are opposed to the basic principles of our democracy and of free and democratic trade unionism. The Executive Council, when requested to do so by the President or by any other member of the Executive Council, shall have the power to conduct an investigation, directly or through an appropriate standing or special committee appointed by the President, of any situation in which there is reason to believe that any affiliate is dominated, controlled

or substantially influenced in the conduct of its affairs by any corrupt influence, or that the policies or activities of any affiliate are consistently directed toward the advocacy, support, advancement or achievement of the program or of the purposes of the Communist Party, any fascist organization or other totalitarian movement. Upon the completion of such an investigation, including a hearing if requested, the Executive Council shall have the authority to make recommendations or give directions to the affiliate involved and shall have the further authority, upon a two-thirds vote, to suspend any affiliate found guilty of a violation of this section. Any action of the Executive Council under this section may be appealed to the convention, provided, however, that such action shall be effective when taken and shall remain in full force and effect pending any appeal.

Sec. 8. Subject to the provisions of Article III, Section 7, the Executive Council shall use every possible means to assist affiliated unions in the organization of the unorganized and to organize new national and international unions, organizing committees, and directly affiliated local unions.

Until such time as it is feasible to form a new national or international union composed of directly affiliated local unions or to affiliate such unions with an existing affiliated national or international union within whose jurisdiction they might properly come, the Executive Council may group such directly affiliated local unions, in a particular craft

or industry, into national councils or organizing committees which shall be under the direct supervision and control of the Executive Council and the President.

Sec. 9. In carrying out the provisions of this Article the Executive Council shall recognize that both craft and industrial unions are appropriate, equal and necessary as methods of trade union organization and that all workers whatever their race, color, creed or national origin are entitled to share in the full benefits of trade union organization.

Sec. 10. A majority of the members of the Executive Council shall constitute a quorum for the transaction of the business of the Council.

Sec. 11. The Executive Council shall have the power to file charges and conduct hearings on such charges against any Executive Officer of the Federation or other member of the Executive Council on the ground that such person is guilty of malfeasance or maladministration, and to make a report to the convention recommending appropriate action. The Executive Council must serve such officer with a copy of the written charges a reasonable time before the hearing.

Sec. 12. The Executive Council shall have the further power to refuse to seat or to remove from office any member of the Executive Council, or to remove from office any officer, who is found by the Council by a two-thirds vote after notice and hearing, to be ineligible to serve under the provisions

of Article V, Section 10. Any action of the Executive Council under this section may be appealed to the convention, provided, however, that such action shall be effective when taken and shall remain in full force and effect pending any appeal.

Sec. 13. In any case in which an affiliate has been suspended from membership in the Federation by the convention, or by a two-thirds vote of the Executive Council in the cases set forth in Section 7 of this Article, and in which it is shown that the cause for such suspension no longer exists, the Executive Council shall have the power, upon a two-thirds vote, to terminate such suspension.

Sec. 14. No affiliated national or international union or organizing committee shall be permitted to change its title or name without first having obtained the consent and approval of the Executive Council or the convention.

Sec. 15. The Executive Council shall be authorized to reimburse members of the Council for necessary expenses in performing their duties for the Federation.

ARTICLE IX

GENERAL BOARD

Section 1. The General Board of the Federation shall consist of all of the members of the Executive Council of the Federation and the president or

other principal officer of each of the affiliated national or international unions and each trade and industrial department.

Section 2. The General Board shall meet upon the call of the President of the Federation or of the Executive Council.

Sec. 3. The General Board shall decide all policy questions referred to it by the Executive Officers or by the Executive Council.

Sec. 4. Questions coming before the General Board shall be decided in accordance with the applicable provisions of Section 17 or Article IV of this Constitution with the president or other principal officer of each affiliated national or international union casting the vote of such union and with the president or other principal officer of each department casting the one vote of such department. The number of members of each national or international union on a roll-call vote of the General Board shall be deemed to be the number of members represented at the last preceding convention except in the case where affiliation has occurred subsequent to such convention or within a 24-month period prior to and including the second month preceding such convention. In such cases the number of members of such affiliate shall be deemed to be one twenty-fourth of the average membership for which per capita tax was paid for each month, prior to the meeting of the General Board, for which such tax was paid.

ARTICLE X

DEPARTMENT OF ORGANIZATION

Section 1. The organizing work of this Federation as set forth in Article VIII, Section 8, shall be conducted by the Department of Organization under the general supervision of the President. The Department of Organization shall be provided the staff and resources necessary to conduct such activities.

Sec. 2. The Department of Organization shall be headed by a Director of Organization who shall be appointed by the President subject to the approval of the Executive Council.

ARTICLE XI

TRADE AND INDUSTRIAL DEPARTMENTS

Section 1. The Trade and Industrial Departments shall be subordinate to the Federation and shall consist of the following: Building and Construction Trades Department; Metal Trades Department; Union Label and Service Trades Department; Maritime Trades Department; Railway Employees Department; and a department of industrial organizations to be known as Industrial Union Department, and such other departments as may be established by the Executive Council or the Convention. Each department is to manage and finance its own affairs and may establish local councils or railway system federations of departments. Affiliation to the departments in the Federation shall

be open to all appropriate affiliated national and international unions and organizing committees.

Sec. 2. To be entitled to representation in any department, international unions and organizing committees eligible to join it must first be and remain in affiliation to the Federation.

Sec. 3. To be entitled to representation in local councils or railway system federations of Departments, local unions are required to be part of affiliated national and international unions and organizing committees affiliated to departments or to be directly affiliated to the Federation.

Sec. 4. The fundamental laws and procedure of each department are to conform to and be administered in the same manner as the laws and procedure governing the Federation. No department, local council or railway system federation of the same shall enact laws, rules or regulations in conflict with the laws and procedure of the Federation, and in the event of change of laws, rules, regulations and procedures of the latter, departments, local councils and railway system federations are to change their laws, rules, and regulations to conform thereto.

Sec. 5. Each department is to be considered an official method of the Federation for transacting the portion of its business indicated by the name of the department, in consequence of which affiliated and eligible organizations should be part of

their respective departments and should comply with the actions and decisions of such departments, subject to appeal therefrom to the Executive Council and the conventions of the Federation. An organization affiliated with one or more departments shall pay per capita tax to each such department upon the number of members whose occupation comes under such department.

Sec. 6. The officers of the various departments shall submit a quarterly report to the Executive Council of the Federation of the work done by their department and its general conditions.

Sec. 7. At all regular meetings of the Executive Council of the Federation, there shall be present, during some period of the Council meeting, the executive officer or officers of each department, to take up with the Council matters that may be of mutual interest.

Sec. 8. Departments of the Federation shall have their headquarters in Washington, D. C., and in the headquarters of the Federation unless permitted to locate elsewhere.

ARTICLE XII

COMMITTEE AND STAFF DEPARTMENTS

Section 1. The President of the Federation shall appoint the following standing committees and such other committees as may from time to time be

necessary. The President with the approval of the Executive Council may combine standing committees. The committees, under the direction of the President, and subject to the authority of the Executive Council and the convention, shall carry out their functions as described herein:

(a) The Committee on Legislation shall undertake to carry out the policies and programs of the Federation in the Congress and in the legislatures of state and local governments;

(b) The Committee on Civil Rights shall be vested with the duty and responsibility to assist the Executive Council to bring about at the earliest possible date the effective implementation of the principle stated in this constitution of nondiscrimination in accordance with the provisions of this constitution;

(c) The Committee on Political Education shall be vested with the duty and responsibility to assist the Executive Council in meeting the need for sound political education and in bringing about the effective implementation of the objectives stated in this constitution of encouraging workers to register and vote, to exercise their full rights and responsibilities of citizenship and to perform their rightful part in the political life of the city, state, and national communities;

(d) The Committee on Ethical Practices shall be vested with the duty and responsibility to assist the Executive Council in carrying out the constitutional determination of the Federation to keep the Federation free from any taint of corruption or communism, in accordance with the provisions of this constitution;

(e) The Committee on International Affairs shall be concerned with international developments facing our nation and the Federation's relationships with the international trade union movement;

(f) The Committee on Education shall promote the widest possible understanding among union members of the aims of the Federation, shall assist affiliated unions in developing their own educational programs and shall implement the Federation's interest in providing the nation with the highest standard of education at all levels;

(g) The Committee on Social Security shall have the responsibility of providing guidance and information in the fields of social insurance and welfare;

(h) The Committee on Economic Policy shall undertake to recommend programs and policies toward the end of promoting prosperity, full employment and full utilization of our resources;

(i) The Committee on Community Services shall stimulate the active participation by members and affiliated unions in the affairs of their communities and the development of sound relationships with social agencies in such communities;

(j) The Committee on Housing shall advise on all matters relating to housing programs and policies;

(k) The Committee on Research shall have the responsibility of reviewing and appraising the research activities of the Federation to the end that adequate research facilities are available to the Federation;

(l) The Committee on Public Relations shall review and appraise the needs of the Federation in keeping the general public informed of the goals and policies of the Federation, the extent to which these needs are being met and shall make recommendations in this field;

(m) The Committee on Safety and Occupational Health shall be vested with the responsibility of recommending and promoting ways in which the work places of our nation can be made safe and healthful;

(n) The Committee on Veterans Affairs shall keep all affiliates informed of the rights and benefits available to veterans under federal and state laws and shall propose measures to protect such rights and benefits;

(o) The Committee on Organization, in consulta-

tion with the Executive Officers and the Director of Organization, shall develop programs and policies to assure a more effective and adequate effort in meeting the challenge of organizing the unorganized and shall report such programs and policies to the Executive Council for its consideration. This section shall in no way affect the jurisdiction of any national or international union of the AFL-CIO.

(p) All other committees shall have the function vested in them by the President, the Executive Council, or the convention, consistent with this constitution.

Sec. 2. Staff departments shall be established where appropriate under the direction of the President to function in the fields of activity described above and in such other fields as may be determined by the President, the Executive Council or the convention.

Sec. 3. The Committees and staff departments shall have adequate staff which shall be under the general direction of the President of the Federation.

ARTICLE XIII

STATE AND LOCAL CENTRAL BODIES

Section 1. Central bodies subordinate to the Federation may be established upon a city, state or other regional basis as may be deemed advisable by the Executive Council and shall be composed exclusively of locals of national and international

unions and organizing committees affiliated with the Federation, directly affiliated local unions, local central bodies within the geographical limits of state and regional bodies, and such other subordinate bodies as the Executive Council may determine are eligible for affiliation.

Sec. 2. It shall be the duty of all national and international unions and organizing committees affiliated with the Federation to instruct their local unions to join affiliated central labor bodies in their vicinity where such exist. Similar instructions shall be given by the Federation to all local unions affiliated directly to it.

Sec. 3. The Executive Council of the Federation shall issue rules governing the conduct, activities, affairs, finances and property of central labor bodies and providing procedures for the discipline, including suspension and expulsion, of such bodies or their officers. Such rules shall define the powers of the President, or his designee, with respect to disciplinary action against central labor bodies, or their officers. They shall provide for notice and hearing in all cases in which such action is taken, but shall permit emergency action (including the authority to suspend officers and establish a trusteeship over such central labor bodies and their property) prior to hearing where in the opinion of the President the interests of the Federation so require. The rules shall further provide for appeals to the Executive Council and to the convention, but shall provide that decisions appealed from shall re-

main in full force and effect pending any appeal.

Sec. 4. Upon the dissolution, suspension or revocation of the charter of any state or local central body, all funds and property of any character shall revert to the Federation to be held in trust until such time that the suspended or defunct organization may be reorganized and be able to confine its activities and actions to conform with the constitution and laws of this Federation. It shall be the duty of the officers of a state or local central body which has been dissolved or whose charter has been suspended or revoked, or which has been placed under trusteeship under Section 3 of this Section, to deliver all funds and property to the President of the Federation or his designated representative. In the event of a failure or refusal to so deliver such funds and property, all expenses incurred by the Federation in recovering such funds and property shall be a lawful charge upon the funds and property involved and, on recovery thereof, the Federation shall reimburse itself from the funds and property recovered.

Sec. 5. Merger of existing state and local central bodies of the American Federation of Labor and the Congress of Industrial Organizations shall be accomplished as provided in Article II, Section 5. Pending such merger state and local central bodies of both the American Federation of Labor and the Congress of Industrial Organizations shall be permitted to exist as state and local central bodies representing the respective local unions or organizations now affiliated to such central bodies.

ARTICLE XIV

LOCAL UNIONS DIRECTLY AFFILIATED TO THE FEDERATION, ORGANIZING COMMITTEES AND NATIONAL COUNCILS

Section 1. Subject to the provisions of Article III, Section 7, the Federation is authorized to issue charters and certificates of affiliation to organizing committees and directly affiliated local unions.

Sec. 2. The Executive Council of the Federation shall issue rules governing the conduct, activities, affairs, finances and property of organizing committees, national councils, and directly affiliated local unions, and governing the suspension, expulsion and termination of such organizations. Such rules shall define the powers of the President, or his designee, with respect to disciplinary action against such organizations, or their officers. They shall provide for notice and hearing in all cases in which such action is taken with respect to directly affiliated local unions, but shall permit emergency action (including the authority to suspend officers and establish a trusteeship over such local unions and their property) prior to hearing where in the opinion of the President the interests of the Federation so require. The rules shall further provide for appeals to the Executive Council and to the convention, but shall provide that decisions appealed from shall remain in full force and effect pending any appeal.

Upon the dissolution, suspension or revocation of the charter of any such organizations, all funds

and property of any character shall revert to the Federation, which shall to the extent appropriate hold such funds and property in trust until such time that the suspended or defunct organization may be reorganized and be able to confine its activities and actions to conform with the constitution and laws of this Federation. It shall be the duty of the officers of any such organization which has been dissolved or whose charter has been suspended or revoked to deliver all funds and property to the President of the Federation or his designated representative. In the event of a failure or refusal to so deliver such funds and property, all expenses incurred by the Federation in recovering such funds and property shall be a lawful charge upon the funds and property involved and, on recovery thereof, the Federation shall reimburse itself from the funds and property recovered.

Sec. 3. It shall be the duty of the Executive Council to combine directly affiliated local unions in related fields into national or international unions, organizing committees or national councils when such action appears to be appropriate. Any local union directly affiliated to the Federation or a group of such local unions may request the Executive Council to authorize such combination.

When directly affiliated local unions are grouped into an organizing committee they shall become locals of the organizing committee. The organizing

committee shall have the same status as a national or international union under this constitution except that it shall be under the direct supervision and control of this Federation, as provided herein.

When directly affiliated local unions are grouped into a national council they shall remain local unions directly affiliated with this Federation.

Sec. 4. The per capita payment to the Federation by local unions directly affiliated to it shall be determined by the Executive Council and shall not be less than $1.50 per month.

Sec. 5. Local Trade and Federal Labor Unions and Local Industrial Unions which are affiliated with this Federation pursuant to Article III, Section 2, of this constitution shall be for all purposes local unions directly affiliated to the Federation under this and all other sections of the constitution.

Sec. 6. The Defense Fund for Local Trade and Federal Labor Unions of the American Federation of Labor, created under its constitution, shall be continued as a defense fund for local unions directly affiliated with this Federation, subject to the rules provided for in Section 2 of this Article and subject to such provisions concerning contributions by and the eligibility of Local Industrial Unions formerly affiliated with the Congress of Industrial Organizations as may be determined by the Executive Council.

ARTICLE XV

PER CAPITA TAX AND ASSESSMENTS

Section 1. A per capita tax shall be paid upon the full paid up membership of each affiliated national or international union, organizing committee and directly affiliated local union.

Sec. 2. Each national or international union and organizing committee shall pay on or before the fifteenth day of each month, for the preceding month, a per capita tax of 10 cents per member per month.

Sec. 3. Directly affiliated local unions shall pay on or before the fifteenth day of each month, for the preceding month, a per capita tax of not less than $1.50 per member per month, as provided for in the rules governing the organization and activities of such directly affiliated local unions. Each directly affiliated local union shall also pay to the Federation a portion, to be fixed by the Executive Council, of the initiation fee received by such union from its members, but such payment to the Federation shall in no case be less than $1.50 per member.

Sec. 4. Revenue may also be derived from assessments when and as ordered by a majority vote of a convention. The Executive Council may also declare an assessment of not to exceed 4 cents per member per month on all affiliated unions for a period not to exceed six months in any one year when the interests of the Federation require and when funds available from per capita tax are insufficient to meet the needs of the Federation.

ARTICLE XV—Per Capita Tax and Assessments

Sec. 5. Any affiliated organization which does not pay its per capita tax on or before the fifteenth of each month, and assessment or assessments when due and payable, shall be notified of that fact by the Secretary-Treasurer of the Federation. Any affiliated organization three months in arrears in payment of per capita tax or assessments automatically becomes suspended from membership in the Federation and can be reinstated only after such arrearages are paid in full.

Sec. 6. Each affiliate, upon the issuance of a certificate of affiliation, shall pay to the Federation the sum of $15.00.

Sec. 7. Each state and local central body affiliated with the Federation shall pay to the Federation an annual fee of $20.00.

Sec. 8. The Executive Council may exonerate any national or international union, organizing committee and directly affiliated local union from the payment of per capita tax or assessments due to the Federation for any month upon a proper showing that, in the opinion of the Executive Council, good cause therefor exists. Exonerated members shall be regarded, for the purposes of this constitution, as paid up members for the period of exoneration.

ARTICLE XVI

AMENDMENTS

This constitution can be amended or altered only by the convention, by a two-thirds vote of those

present and voting, either by a show of hands, or, if a roll-call is properly demanded as provided in this constitution, by such roll-call.

ARTICLE XVII

EXISTING AGREEMENTS

Section 1. The agreement for the merger of the American Federation of Labor and the Congress of Industrial Organizations, as approved by the Executive Council of the American Federation of Labor and the Executive Board of the Congress of Industrial Organizations and the conventions of both federations is incorporated herein and made a part of this constitution.

Sec. 2. The AFL-CIO No-Raiding Agreement shall be preserved and, with the consent of the signatories, shall be extended for a period of two years from its present expiration date and amended to make it effective as between all unions signatory to it irrespective of their former affiliation. The CIO Organizational Disputes Agreement shall be maintained in force for its term as between the unions which have adhered to it. The AFL Internal Disputes Plan shall be maintained in force for its term with respect to the unions which have adhered to it. A Joint Committee shall be established by the Executive Council to formulate the means for incorporating these three agreements into a combined no-raiding and organizational and jurisdictional disputes agreement which can be effective as between all of the unions becoming signatory to it irrespective of their former affiliation and for the

purpose of extending, by voluntary agreement, such provisions to all affiliates of this Federation.

ARTICLE XVIII

INITIAL CONVENTION

Section 1. The provisions of this constitution shall govern the initial convention of the Federation except as otherwise provided in this Article.

Sec. 2. The initial convention shall be called, and the time and place determined, by the Joint AFL-CIO Unity Committee, subject to the approval of the Executive Council of the American Federation of Labor and the Executive Board of the Congress of Industrial Organizations, and the conventions of the two federations.

Sec. 3. The Joint AFL-CIO Unity Committee shall act as the credentials committee for the initial convention and shall be empowered to accredit as delegates to such convention all of the delegates who have been duly accredited to the conventions of the American Federation of Labor and the Congress of Industrial Organizations which approved this constitution. Where the total number of such delegates of any affiliated organization is less than the number of delegates to which such organization is entitled under Article IV, Section 4, the Joint AFL-CIO Unity Committee shall be empowered to accredit additional delegates from such organization up to such number.

Sec. 4. Delegations representing national and international unions, organizing committees and di-

rectly affiliated local unions shall each be entitled to a total number of votes based upon the membership represented by such delegation at the conventions of the American Federation of Labor and the Congress of Industrial Organizations approving this constitution. State and local central bodies and national departments shall each be represented by one delegate and shall each be entitled to one vote.

Sec. 5. The Joint AFL-CIO Unity Committee shall report to the convention, designate temporary officers for the convention, appoint all convention committees, and take such other action with respect to the conduct of the convention as may become necessary by virtue of the fact that it is an initial convention.

ARTICLE XIX

EFFECTIVE DATE

This constitution and the Merger Agreement between the American Federation of Labor and the Congress of Industrial Organizations shall become effective upon approval by the separate conventions of the American Federation of Labor and the Congress of Industrial Organizations and shall govern the affairs of the Federation beginning with the first convention of the Federation.

ARTICLE XX

SETTLEMENT OF INTERNAL DISPUTES

Section 1. The principles set forth in this Article shall be applicable to all affiliates of this Federation,

and to their local unions and other subordinate bodies.

Sec. 2. Each affiliate shall respect the established collective bargaining relationship of every other affiliate. No affiliate shall organize or attempt to represent employes as to whom an established collective bargaining relationship exists with any other affiliate. For purposes of this Article, the term, "established collective bargaining relationship" means any situation in which an affiliate, or any local or other subordinate body thereof, has either (a) been recognized by the employer (including any governmental agency) as the collective bargaining representative for the employes involved for a period of one year or more, or (b) been certified by the National Labor Relations Board or other federal or state agency as the collective bargaining representative for the employes.

Sec. 3. Each affiliate shall respect the established work relationship of every other affiliate. For purposes of this Article, an "established work relationship" shall be deemed to exist as to any work of the kind which the members of an organization have customarily performed at a particular plant or work site, whether their employer is the plant operator, a contractor, or other employer. No affiliate shall by agreement or collusion with any employer or by the exercise of economic pressure seek to obtain work for its members as to which an established work relationship exists with any other affiliate, except with the consent of such affiliate. This section shall not be applicable to work in the railroad industry.

Sec. 4. In the event that any affiliate believes that such special and unusual circumstances exist that it would be violative of its basic jurisdiction or contrary to basic concepts of trade union morality or to the constitutional objectives of the AFL-CIO or injurious to accepted trade union work standards to enforce the principles which would apply in the absence of such circumstances, such organization shall nevertheless observe such principles unless and until its claim is upheld in the manner prescribed in Section 17 of this Article.

Sec. 5. No affiliate shall, in connection with any organizational campaign, circulate or cause to be circulated any charge or report which is designed to bring or has the effect of bringing another affiliate into public disrepute or of otherwise adversely affecting the reputation of such affiliate or the Federation.

Sec. 6. Dispute settlements and determinations under this Article shall not determine the general work or trade jurisdiction of any affiliate but shall be limited to the settlement or determination of the specific dispute on the basis of the facts and considerations involved in that dispute.

Sec. 7. The President shall establish procedural rules for the handling of complaints under this Article so that all affiliates involved in or affected by a dispute will have notice thereof, will have an opportunity for the voluntary settlement of the dispute, and, in the event of a failure to reach a voluntary settlement, will have a full and fair hearing

before an Impartial Umpire. The rules shall be such as to insure a speedy and early disposition of all complaints arising under this Article.

Sec. 8. The President shall establish a panel of mediators composed of persons from within the labor movement. The members shall serve at the pleasure of the President. Any affiliate which claims that another affiliate has violated this Article may, by its principal officer, file a complaint with the President. Upon receipt of such complaint the President shall designate a mediator or mediators, selected by him from the mediation panel, and direct that all affiliates involved or affected meet with such mediator or mediators in an effort to effect a settlement.

Sec. 9. A panel of Impartial Umpires composed of prominent and respected persons shall be established. The members of the panel shall be selected by the President with the approval of the Executive Council. If voluntary settlement of a dispute is not reached within fourteen days after the appointment of a mediator or mediators, a hearing shall be held before an Impartial Umpire selected from such panel. Impartial Umpires shall be assigned on a rotating basis, subject to their availability to conduct hearings. The terms of employment of the members of the panel shall be established by the President, with the approval of the Executive Council.

Sec. 10. The Impartial Umpire shall make a determination, after hearing, based upon the principles set forth in this Article. He shall make such deter-

mination within a time specified by the President, unless an extension of time is agreed to by the parties. The President shall transmit copies of the determination to all affiliates involved. He shall, at the same time, request any affiliate which the Impartial Umpire has found to be in violation of this Article to inform him as to what steps it intends to take to comply with such determination. Any response received, or the fact that no response has been received within a time fixed by the President, shall be communicated to the other parties to the dispute.

Sec. 11. The President may extend any time limit if, in his judgment, such extension will more readily effectuate an early settlement or determination of a dispute. Whenever, in the judgment of the President, pressing reasons require an accelerated settlement or determination, he may shorten or eliminate the mediation process or refer the dispute directly to an Impartial Umpire.

Sec. 12. If no appeal is filed from a determination of the Umpire within five days as provided below the determination shall automatically go into full force and effect. Any affiliate which is adversely affected by a determination of the Umpire, and which contends that the determination is not compatible with this Constitution, or not supported by facts, or is otherwise arbitrary or capricious, may file an appeal with the President within five days after it receives the Umpire's determination. Any such appeal shall be referred by the President to a subcommittee of the Executive Council.

ARTICLE XX—Settlement of Internal Disputes

Sec. 13. The subcommittee of the Executive Council may disallow the appeal, in which event the determination of the Umpire shall be final, and subject to no further appeal and shall go into full force and effect; or the subcommittee may refer the appeal to the Executive Council, in which event the determination of the Umpire shall be automatically stayed pending disposition of the appeal by the Executive Council. The determination of the Umpire shall be sustained unless it is set aside or altered by vote of a majority of all of the members of the Executive Council. The decision of the Executive Council where an appeal is granted shall be final, and shall be effective as of the date therein specified.

Sec. 14. Any affected affiliate may file a complaint with the President that another affiliate has not complied with an effective determination of the Impartial Umpire or of the Executive Council on appeal. Upon receipt of such a complaint the President shall immediately convene a meeting of the subcommittee of the Executive Council referred to above. If non-compliance with the determination is found at such meeting, notice of such non-compliance shall be issued by the President to each affiliated national or international union and department.

Sec. 15. Immediately upon the issuance of such notification, the following shall apply:

(1) The non-complying affiliate shall not be entitled to file any complaint or appear in a complaining capacity in any proceeding under this

Article until such non-compliance is remedied or excused as provided in Section 16;

(2) The Federation shall, upon request, supply every appropriate assistance and aid to any organization resisting the action determined to be in violation of this Article;

(3) The Federation shall appropriately publicize the fact that the affiliate is not in compliance with the Constitution;

(4) No affiliate shall support or render assistance to the action determined to be in violation of this Article.

In addition, the Executive Council is authorized, in its discretion, to:

(1) Deny to such an affiliate the use of any or all of the services or facilities of the Federation;

(2) Deny to such an affiliate any protection under any of the provisions or policy determinations of the Federation;

(3) Apply any other authority vested in the Executive Council under this Constitution.

Sec. 16. Any affiliate which has been found to be in non-compliance and which has been deprived of its rights under this Article may apply for restoration of such rights. Notice of such application shall be given to all of the affiliates involved in the determination or determinations as to which there is non-compliance. If such affiliates consent, the President shall be authorized to restore the rights of the non-complying affiliate after it states its intention in writing to comply thenceforth with the provisions of this Article. If any affiliate involved in the cases

of non-compliance opposes the application, the rights of the non-complying affiliate shall be restored only under the following conditions:

(a) The non-complying affiliate states its intention, in writing, to comply thenceforth with the provisions of this Article;

(b) The non-complying affiliate has undertaken whatever measures may be necessary and practicable to remedy the situation;

(c) The application for restoration of rights is approved by two-thirds vote of the Executive Council, or by a majority vote of the convention.

Sec. 17. Any affiliate which claims justification under Section 4, for action, which would, in the absence of such justification violate the provisions of this Article, shall process its claim, prior to taking action, under the provisions of this Section. Such claim shall set forth the basis upon which the claim is made and the action which the affiliate proposes to take. The claim shall thereafter be processed as provided in this Article except that the determination as to whether the facts justify the proposed action shall not be made by the Impartial Umpire. The Impartial Umpire shall determine whether the proposed action would violate the provisions of this Article in the absence of justification, shall find the facts with respect to the claim of the justification, and submit a report to the Executive Council. The Executive Council shall determine on the report of the Impartial Umpire whether the proposed action would violate the provisions of this Article in the

absence of justification; and, if it concludes by majority vote that the proposed action would so violate it shall find such justification only by a vote of two-thirds of the membership of the Council.

Sec. 18. The President shall be authorized to delegate to such person or persons as he may designate any of his powers or functions under this Article except the authority granted by Sections 12, 14, and 16.

Sec. 19. Where a dispute between affiliates subject to resolution under this Article is also covered by a written agreement between all of the affiliates involved in or affected by the dispute, the provisions of such agreement shall be complied with prior to the invocation of the procedures provided in this Article. If such agreement provides for final and binding arbitration, and an affiliate party to such agreement claims that another such affiliate has not complied with a decision under that agreement, it may file a complaint under the provisions of Section 14 of this Article and the procedures provided in this Article in the case of non-compliance shall be applicable. Where a dispute between affiliates subject to resolution under this Article is also covered by a written agreement between affiliates but involves or affects an affiliate not a party to such an agreement, the affiliate not a party to such agreement may invoke the procedures provided in this Article for the settlement and determination of such dispute.

Sec. 20. The provisions of this Article with re-

spect to the settlement and determination of disputes of the nature described in this Article shall constitute the sole and exclusive method for settlement and determination of such dispute and the provisions of this Article with respect to the enforcement of such settlements and determinations shall constitute the sole and exclusive method for such enforcement. No affiliate shall resort to court or other legal proceedings to settle or determine any disputes of the nature described in this Article or to enforce any settlement or determination reached hereunder.

Sec. 21. The provisions of this Article shall take effect on January 1, 1962. Upon such effective date, the provisions of Article III, Section 4, of this Constitution, except the first sentence thereof, shall be of no further force and effect. However any dispute which has become subject to a formal complaint under such provision prior to January 1, 1962, shall be disposed of under the procedures and principles theretofore applicable and not under the procedures or principles set forth in this Article, except that any recommendation of the Impartial Umpire issued subsequent to January 1, 1962, shall be subject to the provisions of Sections 14 through 16 of this Article.

Sec. 22. Notwithstanding any other provision of this Constitution this Article shall be subject to amendment by the convention by a majority vote of those present and voting either by a show of hands, or, if a roll call is properly demanded as provided in this Constitution, by such roll call.

AGREEMENT FOR THE MERGER OF THE AMERICAN FEDERATION OF LABOR AND THE CONGRESS OF INDUSTRIAL ORGANIZATIONS

Signed February 9, 1955

1. AGREEMENT TO MERGE

The American Federation of Labor and the Congress of Industrial Organizations agree to create a single trade union center in America, through the process of merger which will preserve the integrity of each affiliated national and international union. They further agree upon the following principles and procedures to accomplish this end.

2. PRINCIPLES OF MERGER

(a) It is recognized, as a fundamental basis for the merger of the AFL and CIO, that each national and international union, federal labor union, local industrial union and organizing committee (hereinafter referred to as affiliated union) holding a charter or certificate of affiliation granted by either federation shall retain its charter or certificate and become, by virtue of the merger, an affiliate of the merged federation.

(b) It is further recognized and agreed that the integrity of each affiliated union in the merged federation shall be maintained and preserved. In order to effectuate this principle, the Constitution of the merged federation shall contain a constitutional declaration for respect by each affiliate of the established bargaining relationship of every other affiliate and against raiding by any affiliate of the

established collective bargaining relationship of any other affiliate. The merged federation shall provide appropriate machinery to implement this constitutional declaration.

(c) The parties further agree that, subject to the foregoing, each affiliated union shall have the same organizing jurisdiction in the merged federation as it had in its respective prior organization.

(d) The parties recognize that the above provisions may result in conflicting and duplicating organizations and jurisdictions. Where such is the case, affiliates of the merged federation will be encouraged to eliminate conflicts and duplications through the process of agreement, merger, or other means, by voluntary agreement in consultation with the appropriate officials of the merged federation.

(e) The merged federation shall be based upon a constitutional recognition that both craft and industrial unions are appropriate, equal and necessary as methods of trade union organization.

(f) The merged federation shall constitutionally recognize the right of all workers, without regard to race, creed, color or national origin to share in the full benefits of trade union organization in the merged federation. The merged federation shall establish appropriate internal machinery to bring about, at the earliest possible date, the effective implementation of this principle of non-discrimination.

(g) The merged federation shall constitutionally affirm its determination to protect the American trade union movement from any and all corrupt

influence and from the undermining efforts of communist agencies and all others who are opposed to the basic principles of our democracy and of free and democratic trade unionism.

The merged federation shall establish appropriate internal machinery with authority effectively to implement this constitutional determination to keep the merged federation free from any taint of corruption or communism.

3. GOVERNMENT AND STRUCTURE OF THE MERGED FEDERATION

(a) There shall be established within the merged federation a Department to be known as the Council of Industrial Organizations. Such Department shall have the status of, and, in general, be comparable to, the existing Departments of the American Federation of Labor, which Departments shall be continued within the merged federation. This Department shall be open to all industrial unions within the merged federation. All other Departments in the merged federation shall be open to all appropriate unions.

(b) The executive officers of the merged federation shall be a President and a Secretary-Treasurer, who shall be elected at the regular conventions of the merged federation. Initially, the President and Secretary-Treasurer shall be elected from the unions now affiliated with the American Federation of Labor.

(c) The Department of Organization of the merged federation shall be headed by a Director

of Organization who shall be appointed by the President, after consultation with the Executive Committee, subject to the approval of the Executive Council.

Initially, the Director of Organization shall be selected from a union now affiliated with the Congress of Industrial Organizations. The Department of Organization shall be provided the staff and resources necessary to conduct organizational activities in cooperation with the various affiliated unions, in the common effort to organize the unorganized into collective bargaining units which experience has shown to be the most effective and appropriate for the protection of such workers.

(d) The Convention of the merged federation shall be its supreme governing body. The convention shall meet regularly every two years. The delegates of affiliated unions to such convention shall vote the per capita membership of the unions which they represent. State and local central bodies shall be entitled to one vote each at conventions.

(e) In addition to the officers set forth in paragraph (b), there shall be twenty-seven Vice Presidents, to be elected at the regular conventions of the merged federation. The Vice Presidents shall, with the executive officers, constitute the Executive Council. The Executive Council shall meet not less than three times each year. It shall be authorized and empowered to take such action and render such decisions as will be necessary to carry out fully and adequately the decisions and instructions of the conventions and between conventions shall have the power to direct the affairs of the federation and to

take such actions and render such decisions as are necessary and appropriate to safeguard and promote the best interests of the federation and its affiliated unions, including the organization of unorganized industries by means most appropriate for that purpose. At the first convention of the merged federation, seventeen of the Vice Presidents shall be elected from unions now affiliated with the American Federation of Labor and ten shall be elected from unions now affiliated with the Congress of Industrial Organizations.

(f) There shall be an Executive Committee which shall consist of the Executive Officers and six of the Vice Presidents to be selected by the Executive Council. The Executive Committee shall meet bi-monthly and shall advise and consult with the executive officers on policy matters. Initially, three of the Vice Presidents constituting the Executive Committee shall be selected from unions now affiliated with the AFL and three of the Vice Presidents shall be selected from unions now affiliated with the CIO.

(g) There shall be a body known as the General Board which shall consist of the members of the Executive Council and the President or other principal officer of each of the national or international unions affiliated with the merged federation. The General Board shall meet at least once each year and shall decide all policy questions referred to it by the executive officers, and the Executive Council. The rules of the convention as to voting shall govern the General Board.

(h) The constitution of the merged federation

shall provide for standing committees of the federation in appropriate fields of action. These committees shall have appropriate staffs and due recognition shall be given to unions now affiliated with the AFL and the CIO in determining the chairmanships of, and in staffing, such committees.

(i) The constitution shall provide for state and local central bodies of the merged federation. In addition, the constitution shall permit the Council of Industrial Organizations to maintain subordinate councils, as now provided for departments of the American Federation of Labor. Existing state and local bodies of the AFL and CIO shall be merged as provided for in paragraph 6(g) of this Agreement.

4. FINANCES

(a) The merged federation shall succeed to all the assets of the American Federation of Labor and shall assume all of its liabilities and contractual obligations. The merged federation shall succeed to that part of the net assets of the Congress of Industrial Organizations which bears the same relationship to the membership of the Congress of Industrial Organizations (as measured by per capita tax paid as of the date of the 1954 Congress of Industrial Organizations Convention) as the net assets of the American Federation of Labor as of the date of merger bear to the membership of the American Federation of Labor (similarly measured as of the date of the 1954 American Federation of Labor Convention). The Council of Industrial Or-

ganizations to be established within the merged federation shall succeed to the balance of the assets of the Congress of Industrial Organizations, after all of its liabilities, both accrued and potential, have been provided for. The term assets shall include real estate held in trust for the respective federations.

(b) The per capita tax payable to the merged federation by national, international unions and organizing committees shall be 4 cents per member per month. The per capita tax of federal labor unions and local industrial unions shall be not less than 80 cents per member per month. The Council of Industrial Organizations, acting as a department of the merged federation, shall establish its own per capita tax, as shall all other departments of the merged federation.

5. EXISTING AGREEMENTS

The AFL-CIO No-Raiding Agreement shall be preserved and, with the consent of the signatories, shall be extended for a period of two years from its present expiration date and amended to make it effective as between all unions signatory to it irrespective of their former affiliation.

The CIO Organizational Disputes Agreement shall be maintained in force as between the unions which have adhered to it. The AFL Internal Disputes Plan shall be maintained in force with respect to the unions which have adhered to it. A Joint Committee shall be established to formulate the means for incorporating these three agreements

into a combined no-raiding and organizational and jurisdictional disputes agreement which can be effective as between all of the unions becoming signatory to it irrespective of their former affiliation and for the purpose of extending, by voluntary agreement, such provisions to all affiliates of the merged federation.

6. METHODS OF MERGER

The merger shall be effected by the following procedure:

(a) This agreement shall be submitted for approval to the Executive Council of the American Federation of Labor and the Executive Board of the Congress of Industrial Organizations.

(b) Upon approval by them, a proposed constitution for the merged federation, reflecting the provisions of the merger agreement and containing such other necessary and appropriate provisions as may be agreed to, shall be drafted by the Joint AFL-CIO Unity Committee. The proposed constitution of the merged federation shall, consistent with the merger agreement, preserve the essential features of the present AFL and CIO constitutions and the basic rights and obligations of the affiliates of both federations.

(c) The proposed Constitution shall be submitted for approval to the Executive Council of the American Federation of Labor and the Executive Board of the Congress of Industrial Organizations.

(d) Upon approval by them, this Agreement and the proposed Constitution, and such other agreements as are necessary to accomplish the merger shall be submitted to separate conventions of the American Federation of Labor and the Congress of Industrial Organizations.

(e) Upon approval by the separate conventions of the two federations of the Merger Agreement and the proposed Constitution of the merged federation, a joint convention shall be held. Such joint convention shall constitute the first regular biennial convention of the merged federation.

(f) Initially, the headquarters and field staff of the AFL and the CIO shall be retained as the staff of the merged federation. A special committee shall be established of the present executive officers of the AFL and the CIO which shall, in conjunction with the executive officers of the merged federation, make just, fair and equitable provision for the integration of the staffs of the AFL and the CIO into a single staff for the merged federation.

(g) Merger of existing state and local central bodies of the AFL and CIO shall be accomplished within two years after the date of the merger of the two national federations by the process of negotiation and agreement under the guidance of the officers of the merged federation. Pending the conclusion of such agreements state and local central bodies of both of the AFL and CIO shall be permitted to continue to exist as state and local central bodies representing the respective local unions now affiliated to such central bodies.

INDEX

Page

AFFILIATES:
- Central Bodies 5, 35
- Charters or Certificates of Affiliation 8
- Directly Affiliated Local Unions 5, 38
- National & International Unions 5
- Organizing Committees 5, 38
- Trade & Industrial Departments 5, 29

AMENDMENTS 42

ASSESSMENTS 41

CENTRAL BODIES, STATE & LOCAL:
- Dissolution, suspension or revocation of charter 37
- Fees 42
- Funds and property 37
- Merger of 37
- Rules Governing 36
- Structure 35

CHARTERS OR CERTIFICATES OF AFFILIATION:
- Central Bodies 35
- Direct Affiliated Local Unions 8, 38
- Fees for 41
- National & International Unions 8
- Organizing Committees 8, 38

CIVIL RIGHTS COMMITTEE 32

COMMITTEES STANDING:
- Civil Rights 32
- Community Services 34

Page

Economic Policy 33
Education 33
Ethical Practices 33
Housing 34
International Affairs 33
Legislation 32
Organization 34
Political Education 32
Public Relations 34
Research 34
Safety & Occupational Health 34
Social Security 33
Veterans Affairs 34

COMMUNITY SERVICES COMMITTEE 34

CONVENTIONS:

Appeals 13, 14
Central Body Proposals 14
Committees 13
Credentials 15
Delegates 10
Directly Affiliated Local Proposals 14
Executive Council Members as Delegates ... 15
Fraternal Delegates 15
Memorials 13, 14
Petitions 13, 14
Presiding Officer 15
Quorum 16
Regular Conventions 9
Resolutions 13, 14
Roll-Call Vote 16

Page

Rules & Order of Business 16
Special Conventions 10

DELEGATES TO CONVENTIONS 10

DEPARTMENTS:

Staff 35
Trade & Industrial 29

DIRECTLY AFFILIATED LOCAL UNIONS:

Defense Fund 40
Dissolution, suspension or revocation of charter 38
National Councils of 25, 39
Per Capita Tax 40, 41
Rules Governing 38

ECONOMIC POLICY COMMITTEE 33

EDUCATION COMMITTEE 33

EFFECTIVE DATE OF CONSTITUTION 45

ETHICAL PRACTICES COMMITTEE 33

EXECUTIVE COUNCIL:

Duties 23, 24, 25, 26, 27
Meetings 24
Quorum 26
Structure 23

EXECUTIVE OFFICERS (see Officers).

EXISTING AGREEMENTS 43

Page

GENERAL BOARD:
- Duties 28
- Meetings 28
- Structure 27
- Voting 28

HOUSING COMMITTEE 34

INITIAL CONVENTION 44

INTERNAL DISPUTES 45

INTERNATIONAL AFFAIRS COMMITTEE 33

INTERNATIONAL & NATIONAL UNIONS:
- Change of Name 27
- Delegates to Convention 10
- Jurisdiction 6
- Per Capita Tax 41
- Revocation of Charter 9
- Suspension 8, 25

JURISDICTION 6

LEGISLATION COMMITTEE 32

LOCAL CENTRAL BODIES (see Central Bodies).

MERGER AGREEMENT:
- Existing Agreements 61
- Finances 60
- Government & Structure 57
- Methods Merger 62
- Principles 55

NAME 2

Page

NATIONAL HEADQUARTERS 18

OBJECTIVES & PRINCIPLES 2

OFFICERS:

- Elections 17
- Eligibility 16
- Pensions 19
- President 20
- Secretary-Treasurer 21
- Salaries 20, 21, 22
- Term of Office 18
- Trustees 18
- Vacancy in Office of President 18
- Vacancy in Office of Secretary-Treasurer 18
- Vacancy in Office of Vice President 18
- Vice Presidents 16

ORGANIZATION, COMMITTEE ON 34

ORGANIZATION DEPARTMENT 29

- Director 29

ORGANIZING COMMITTEES:

- Dissolution, suspension or revocation of charter 38
- Per Capita Tax 41
- Rules Governing 38
- Status 39

PER CAPITA TAX:

- Directly Affiliated Local Unions 40
- National or International Unions 41
- Organizing Committees 41

POLITICAL EDUCATION, COMMITTEE ON 32

Page

PREAMBLE 1

PRESIDENT:

Duties 20, 21
Pension 19
Salary 20

PUBLIC RELATIONS COMMITTEE 34

RESEARCH COMMITTEE 34

REVENUE:

Arrearages 42
Central Bodies 42
Certificate of Affiliation Fee 42
Directly Affiliated Local Unions 40, 41
Exoneration 42
National & International Unions 41
Organizing Committees 41

ROLL-CALL VOTE 16

SAFETY & OCCUPATIONAL HEALTH COMMITTEE 34

SECRETARY-TREASURER:

Bond 22
Duties 21, 22, 23
Pension 19
Salary 22

SOCIAL SECURITY COMMITTEE 33

SPECIAL CONVENTIONS 10

STAFF DEPARTMENTS 35

STATE CENTRAL BODIES (see Central Bodies).

Page

STRUCTURE:
- Central Bodies 35
- Federation 5

SUSPENSION:
- Central Bodies 37
- Directly Affiliated Local Unions 38
- National & International Unions 8, 25
- Organizing Committees 38

TITLE TO REAL ESTATE 18

TRADE & INDUSTRIAL DEPARTMENTS:
- Compliance 31
- Eligibility 30
- Headquarters 31
- Laws & Procedures 30
- Report to Federation 31
- Representation 30
- Status 29
- Structure 29, 30

TRUSTEES 18

VETERANS AFFAIRS COMMITTEE 34

VICE PRESIDENTS 16

VOTING IN CONVENTIONS 16

ELEVENTH CONSTITUTIONAL CONVENTION of the American Federation of Labor and Congress of Industrial Organizations 1975

PROCEEDINGS

San Francisco, California, October 2-8, 1975

7

Report of

SECOND DAY—FRIDAY MORNING SESSION

October 3, 1975

The convention reconvened at 10:00 o'clock a.m., President Meany presiding.

PRESIDENT MEANY: The invocation this morning will be delivered by Rabbi Saul E. White of the Congregation Beth Shalom from the Richmond District of San Francisco.

Rabbi White.

INVOCATION
Rabbi Saul E. White
Beth Shalom Congregation

Our God and God of our Fathers, Americans of all walks of life observe this year the bi-centennial of American independence. We reflect upon the glories of our past and with it the anxieties for the future.

That the American experience has heretofore been a success cannot be doubted. Immigrants from every part of the world have built a society which has provided for the highest standard of living of any community in history. We have produced a science, technology and labor force unmatched by any other people. With infringements now and then upon individual rights and liberties, it has nonetheless been the most successful democratic society mankind has known. Our Constitution and Bill of Rights, continued to be protected by a Supreme Court, has challenged popular bigotries and prejudices.

The American people, rooted in religious and humanistic traditions of concern for the welfare of their fellow man, have been generous and noble in helping to rebuild a devastated Europe and extending aid to the backward and underdeveloped countries of the world. In this we take pride and joy. But what of the present and what of the future?

Faced with a shrinking economy and bedeviled by the tyranny of oil sheiks and with it the spiral of inflation and joblessness we are a nation worried. Racial and class conflicts that could have been mitigated in an expanding economy are troubling when there is little room for concessions.

It is obvious that the resources of America's greatness in the past have not vanished in our day. We can build a future as great and noble as the past we celebrate. Our most valued resource is the American labor force, which is willing and able to move our economy forward.

We hope and pray O God, from the deliberations of this assembly will emerge a strategy and plan that will put Americans back to work. The worst that can happen to a country and people is that its manpower be sacrificed on the altar of a Moloch, deflation.

O Lord our God thou hast been with us in generations past, be with us now and in the days to come.

Amen.

PRESIDENT MEANY: I would like to announce that the film which you saw this morning which contained excerpts of the speech by Alexander Solzhenitsyn a few weeks ago will be available in reprint form for any international union, any local cetral body, state federation or any local union that wishes to get this film and use it at the local level. Anyone interested in securing a reprint of the film please contact Walter Davis, the head of the AFL-CIO Department of Education.

Thank you.

Incidentally, so far, I would say that we have distributed copies of the Solzhenitsyn speeches in our publications and in

pamphlets to the extent of 430,000 copies. Requests are still coming in. Magazines throughout the world have used excerpts of this speech, or these two speeches, one in New York and one in Washington, reaching a total now of perhaps 23 million people. The speech has been reprinted in French, German, Portuguese, Spanish, Japanese and even in Russian.

PRESENTATION OF MURRAY-GREEN AWARD

PRESIDENT MEANY: At ths time, I want to present the Chairman of our Community Services Committee for a presentation.

As you know, we have been presenting the Murray-Green Award for a good many years to outstanding citizens for their contribution to community life here in the nation. Some of the recipients, Dr. Jonas Salk, Harry Truman, Bob Hope, Herbert Lehman, Eleanor Roosevelt and many, many outstanding citizens and, in some cases, to organizations.

This year we are going to present the award to one of our own posthumously. Joe Beirne, the President of the Communication Workers' organization, who passed away on Labor Day, 1974, was first exposed to the community services field during the nationwide strike of the independent telephone workers back in 1947. When his union joined the CIO, he became a member of the Community Services Committee of the CIO; and then in 1952 became Chairman of that committee. With the merger, he became Chairman of the AFL-CIO Community Services Committee, a post which he held for many years until he assumed the Chairmanship of our International Affairs Committee.

Joe Beirne not only championed the workers in his union, the Communication Workers, but helped extend the benefits of trade unionism to Latin America.

As Secretary-Treasurer of the American Institute for Free Labor Development, he was a moving spirit in American Labor's participation in community affairs, and served as the first labor man to become President of the United Way of America. He was a dedicated trade unionist, who truly served his fellow man.

Now, I would like to present Mrs. Beirne, her three daughters, Mrs. Houston, Mrs. Leiss and Mrs. McDonald, and at the same time present Vice President Bommarito for the presentation speech.

(Standing ovation.)

VICE PRESIDENT BOMMARITO:

Joe Beirne was neither the first chairman nor the last chairman of organized labor's community services committee—but he

was a good chairman. He was an active, dynamic and perceptive chairman.

Joe was a true believer. He believed, first of all, in the labor movement. "Let me put it this way," he wrote in 1969. "There is only one substantial private institution in the United States whose primary dedication is to the best interests of all the American people. That institution is the American labor movement represented by the AFL-CIO."

He believed, second of all, that the future of the labor movement lies in its complete identification with the health and welfare of the total community. When it came to choose a slogan for his own international union, the Communications Workers of America, he proclaimed that it was "the community-minded union." And that's what CWA is called. It is known as "the community-minded union" not by virtue of its slogan—but because its officers and members, under the leadership of their founding President, have blazed new trails in community participation and involvement. Joe himself became the first labor leader in history to serve as President of United Community Funds and Councils of America, and he had served actively for many years on the boards and committees of many national health and welfare agencies.

Joe Beirne wore many hats—not all of them Stetsons—but he managed to fuse his varied interests and abiding concerns for labor and the community in practical ways.

He was first exposed to the CIO community services program—appropriately enough—over the telephone. The year was 1947—and the Independent Telephone Workers were on a nationwide strike. The director of the National CIO Community Services Committee, Leo Perlis, called Joe Beirne in New York and offered to help the union develop a strike assistance program.

"When can you do it?" Joe asked in typical fashion.

That very day the two met and organized — after the auto workers and steel workers—the third nationwide community-based strike assistance program in the history of the American labor movement.

But Joe gave as well as he took. In tune with the traditions of his faith, he believed that it is better to give than to receive. And he gave of himself in full measure. When his union joined the CIO, President Murray appointed Joe a member of the National CIO Community Services Committee. Later, in 1952, President Reuther appointed him chairman of the committee. When the AFL and CIO merged in 1955, President Meany appointed him chairman of an expanded committee. And during all this time, Joe travelled up and down the country spreading the word. His message was that union organization is only a means and that

collective bargaining is only a beginning—both fundamental and powerful to be sure—but first steps nonetheless; that union men and women are, after all also citizens, consumers, parents, homeowners and taxpayers; that it is the responsibility of the union, therefore, to help meet their personal and family needs that are not covered by the union contract, that the most effective way of achieving this objective is through close collaboration with both public and voluntary community agencies.

Joe Beirne's approach to this and other programs and problems both within and without the labor movement went beyond pure theory or organizational necessity. It went to the very heart of those whom we, in the great labor movement, are all privileged to serve. To put it simply—Joe liked people. He liked to work with them, eat with them, drink with them, argue with them and do things for them. He expected a lot but he gave a lot—and what's more, he gave mortal, fallible men—associates, subordinates and even himself—a second chance. Joe took his work very seriously—but never himself. His Irish sense of humor pierced through all the puffery and pomposity of our age—right down to basics. As he saw it, his basic job was to serve people and to build a community—to serve union people in the union community, American people in the American community and, finally, all human beings in the human community.

There are, perhaps, no two finer words in the English dictionary than "community" and "service." In a society increasingly torn apart by confrontations between competing and often hostile groups—labor and management, black and white, merchant and consumer, young and old—it is important to unify, to find areas of agreement, to develop a community of common interests and shared experiences. And in an increasingly self-centered society where people are alienated from one another by the complexities of modern urban life, the act of serving—or contributing to the welfare of others—is an act of faith in all of mankind.

And it was to all of mankind that Joe Beirne reached out. As Secretary-Treasurer, from the very beginning, of the American Institute for Free Labor Development, Joe reached out to the workers of Latin America. As president of the Postal, Telegraph and Telephone International, Joe reached out to his fellow communications workers around the globe. And, finally, as chairman of the AFL-CIO International Affairs Committee, Joe reached out to the people of the world; he reached out for their economic security and personal dignity; he reached out against totalitarian oppression of every hue, red, black or brown.

That was Joe Beirne—the Beirne we knew at these conventions, at Executive Council meetings, on picket lines, around bargaining tables, in meeting halls, on planes and trains and at countless dinners and luncheons in a thousand cities and hamlets here and abroad. That was the Joe Beirne we all respected and liked.

But there was another Joe Beirne—the family man, husband, father and grandfather. The Beirne who took much time from his family to build a union—and the Beirne who gave much love in return to his grandchildren, three daughters and wife, Anne.

To you, Anne, for sharing Joe with us, thanks! To you, Anne, for helping Joe build the labor movement, thanks. To you, Anne, for keeping the home fires burning while Joe fired the imagination of community leaders, thanks.

And on behalf of the AFL-CIO Executive Council, and as chairman of the AFL-CIO Community Services Committee, I have the honor to present to Joseph Anthony Beirne, through you, the 1975 Philip Murray-William Green award. It consists of this bronze medal and this check in the amount of $5,000 made payable to the Jospeh Anthony Beirne Memorial Foundation.

This posthumous award, as Prsident Meany said in his letter to you on September 5, was voted to Joe in recognition of "his outstanding contributions to the health and welfare not only of the American people but of the people around the world."

With this award Joe joins such other distinguished Murray-Green award winners as Senator Wagner and President Truman, Dr. Salk and the Drs. Menninger, Eleanor Roosevelt and our own Phil Randolph.

Anne, it is our way of saying thanks to Joe.

(Standing ovation.)

MRS. ANNE BEIRNE
Widow — Joe Beirne

To our many friends, Joe's and mine, all his fellow associates, I want you to know how very proud I am to be here to accept Labor's highest honor, the Philip Murray-William Green Award given to Joe.

You have heard of all his deeds and accomplishments for his associate for years, but I just want to say a few words about Joe, as I knew him best.

All the things that are written about Joe, all the titles that were given to him really meant little to him. Joe's only interest was where he could do the most for the people who needed help. His love of people began with Community Services work, later embracing the entire world through AIFLD, PTTI, and most certainly, the CWA—which was the beginning and his pride and joy.

He often said he could not rest until—and I quote from Joe's book CHALLENGE TO LABOR—"... that each and every young American ought to have available to him and to her all the education the student is wi"ling to take and able to absorb ...

at no financial cost to the student. Excellence in scholarship should require no financial means test."

The funds which this Award carries with it will be given to the JOSEPH ANTHONY BEIRNE MEMORIAL FOUNDATION, founded by the CWA for the advancement of education among all people and to develop programs in the fields of humanities, social interest and Labor problems.

In this way his dreams for helping all people can be realized and carried on by his successors

All this was a small part of Joe, for indeed he was a loving man, as a husband, father and grandfather. He denied us nothing except perhaps time. But, the love for his family erased all that and we accepted it knowing we had to share him with the world.

President Meany, Community Services Chairman Bommarito, Director Perlis, and the Executive Council Members, I want to thank you for letting me share in this great honor which you have bestowed on Joe today. And, somewhere in forever, he also says Thank you.

(Standing Ovation.)

PRESIDENT MEANY: Thank you very much, Ann.

At this time I want to present one of our fraternal delegates from Great Britain. The custom of exchanging fraternal delegates between the British Trade Union Congress and the American Federation of Labor and later on the AFL-CIO has prevailed since 1895, and we cherish this association. We don't always agree with our British friends, and they don't always agree with us, but the areas of disagreement are very tiny compared to the overall dedication of the British Trade Union movement along with the American Trade Union movement to the basic case of human freedom everywhere in the world.

It is in that spirit that I would like to present to you the fraternal delegate from Great Britain, the President of the Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths, and Structural Workers, a member of the TUC General Council for the past 10 years. He serves on that organization's International Committee, Finance and General Purposes Committee, Economic Committee, and Employment and Industrial Development Committee.

I am happy to present to you Brother Daniel McGarvey.

DANIEL McGARVEY,
CBE

Member of the General Council of the TUC, General President of the Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths and Structural Workers.

Mr. President, members of the Executive Council, degelates,

I have the honor and pleasure of bringing you the fraternal greeting of nearly 10 and a half million trade unionists in the Trades Union Congress to your Convention together with our best wishes for your success of your deliberations here in San Francisco. I have the privilege of being part of a traditional exchange which goes back to 1894—a great vintage year for the trade union movement, especially here in the United States, being the year of the birth of your President, George Meany.

You may have heard some rumors recently that back in Britain we are on our last legs, that we are facing imminent economic and social catastrophe though the exact nature of the disaster and the way it is to come about were never spelled out. As usual the blame has been laid at the door of the trade union movement by elements in the press and by some politicians traditionally hostile to organized labor. Well, Bill Sidell and Sol Stetin who were with us in Blackpool at our 107th Congress only last month will tell you that there is not much truth in the rumors. The reports are, as Mark Twain said on reading his own obituary, "greatly exaggerated." We have our problems like most democratic countries in the world at the moment. They are serious ones but we see ways of surmounting them and we are taking the necessary action as a nation to do this.

The gloomy and misleading reports of our situation were not the results of misunderstanding. They have their origins in Wall Street, and in our City, groups not known for their sympathy to workers interests, and among politicians both here in the U.S. and in Britain whose main hope of retaining or achieving power rests in discrediting or blocking policies aimed at helping working people to cope with the pressing problems that currently face them. They will tell you for example that if you go about extending the coverage of federal health insurance schemes on the lines of our scheme in Britain you will sap the strength and spirit of self-reliance of the nation. They are the same people who say that unemployment benefits encourage fecklessness, that federal expenditure to create jobs is morally as well as economically wrong, that attempts to challenge the power of the big corporations is unpatriotic if not treasonable or revolutionary.

Some British politicians say that the relentless pursuit of equality has caused and is causing damage to our economy in a variety of ways. Well, I do not think we should apoloize in the trade union movement for attempting to extend equality. The real truth is that for the great majority of our working people the relentless pursuit of equality really amounts to a daily struggle to achieve the basic necessities of life. When these people at-

tack public expenditure what they really mean is let unemployment grow, let the hospitals run down, let the slums stand, let the privilege of those who can afford private education and private medicine continue, and to hell with the rest. But in fact the great majority of our people see the great disparities in our society as an obstacle to social and industrial harmony, an obsolete which will need to be removed if we are to make economic progress.

I am sure you are familiar with similar lines of arguments from some of your own politicians. It does not take much to refute them. There are many countries in Western Europe with much better social security provision than those of Britain which have managed to maintain much higher rates of investment and faster economic growth. The evidence that is available to all suggests that the better the social security system a country has the more willing are its working people to accept technological change. Only those who have experienced the demoralization, the hopelessness, the feeling of being unwanted, their skills rejected, can fully appreciate the sheer dread of being made redundant. In human terms no level of unemployment benefit can compensate the great majority of working people.

What is the real situation in Britain then? One of the most bitter lessons that we have learnt in Britain over the last five years is that the standard of living and general well-being of our people are crucially affected by world economic developments. As a nation which exports and imports roughly one-third of our national income we cannot hope to isolate ourselves from the very cold international economic climate which has taken hold of the industrialized world at the moment.

It has been this realization which has led us as a TUC over the last eighteen months to meet our colleagues from other trade union centers with the aim of agreeing reflationary policies which we should put to our respective governments. Policies designed to reduce the number of jobless and get world trade and living standards growing again. At last, painfully late, some governments are realizing that unemployment has become the major economic and social evil and are taking tentative steps to get men, machines, and factories moving again. Your own Government has embarked upon an expansion program and this may lead to a belated upturn in world trade early next year. The French Government has recently approved a plan for expansion but there is still considerable room for many countries, in particular Japan and West Germany, to intoduce further measures to expand their home demand and imports from the rest of the world so helping to avoid the dangers of a deepening recession.

These measures will take time to work through and it is a

tragedy, counted in terms of the numbers of unemployed, that they were not taken very much earlier.

There are many skeptics who doubt whether the upturn in world trade is coming. Our view is that the upturn is coming and we should be taking steps to prepare for that event. By the time the upturn actually does come it will be too late to take action on training to meet the demands for new skills.

In Britain now we are seeing developments which until recently we had all hoped had been relegated to the history of the inter-war years. For the twenty years up to 1970, the number of unemployed fluctuated between one and two percent of our labor force. Now, we have the highest level of unemployment in Britain for 35 years excluding the special situation in Northern Ireland and school leavers and students; we have 4.2 per cent of our workforce unemployed and the forecasters say that this may rise to 6.0 per cent by the end of the year. One of the most disturbing factors is, however, the plight of over 120,000 school leavers unable to find jobs 3 months after leaving school. It is a terrible indictment of the present situation that young people starting their working lives are not accommodated within the employed population.

It is also a fact that the UK figures probably understate the true position as many pensioners, housewives and others would take jobs if they were available and yet these people are not shown up in the figures I have just quoted. Also many thousands of workers are on short-time, although as the recession deepens it seems that many are being made redundant and are joining the ranks of the unemployed. As trade unionists we are all aware of the heavy social costs of unemployment, but the economic costs are enormous as well. The UK's industrial output has fallen back to the level it was in 1970, well below the level it fell to during the three-day week in 1974. Industrial investment at the end of this year is expected to be two per cent down on last year and is expected to continue to fall next year in 1976. Our volume of exports are also expected to fall this year, by about 3 per cent.

All these developments as you know are not just peculiar to the British situation but are common to many industrialized countries in the western world. They will only be reversed as the governments of those countries in the strongest positions continue to take measures to stimulate their economies in a planned and rational manner. In Britain we have a Labor Government which is pledged to take what measures it can to bring unemployment down to a tolerable level. It has introduced an employment subsidy to try and keep workforces together and firms in business so that we have the ability to produce more goods when world trade begins to expand again. The Manpower Services Commission, of which I am a member, has plans for a work creation scheme and special help for young workers.

Besides unemployment of course what our members in Britain are most concerned about is what is going to happen to prices over the next twelve months. Here again we have learnt that Britain is not an economic island and what has happened to commodity prices over the last two or three years had probably hit us harder than most.

The TUC and the Government are progressing with measures to try and remove the structural weakness of British economy which have persisted over the last fifty years. The problem of under-investment and the misallocation of investment is central to this and we are developing measures to ensure more planned and socially directed investment. What I am really saying is that we need in Britain a new industrial plan and the TUC have pressed the Government to set out as a matter of urgency our objectives for the medium term, stretching to 1980, and what needs to be done now and in the next year or two to take us to that goal.

In the past planning in Britain has involved words not deeds but if we are to harness our resources effectively we need planning at the level of the individual firm and this will mean trade union involvement. We have been promised a major initiative from the Labour Government in October in this whole field of economic and industrial planning.

Of course our prospects of becoming an oil producer are very important here and give rise to some optimism for the medium term prospects. But it is vital that we effectively harness and do not squander these precious resources. For these reasons we have urged the Government to take a 51 per cent controlling interest in the exploitation of North Sea oil through a British National Oil Corporation. In recommending this we are only following what most of the world has already done and I would point out that the only country in the world which has not nationalized its oil assets is the United States.

So the problems facing Brtain now are great and what happens to some of them are beyond our control. But the TUC and Labour Government are jointly beginning to attack the problems in a systematic and socially just way.

The Government was elected almost exactly a year ago with a small majority. Their election ensured the continuation of an understanding with the trade union movement on a programme in which the Government put social justice in the forefront of their policies, in the process, harnessing the goodwill of working people and giving them a greater say in the control of their working life, and which would help the country to deal with the difficulties of our situation.

There are many facets to this understanding. One part of it has been higher pensions for the old, one part a new determined approach to reduce the heavy toll of industrial accidents and diseases on our people. We have a new Health and Safety Commission, new powers for factory inspectors, and new powers for trade unions too who can appoint their own safety officers in factories and offices. Another part of the understanding has been a new approach to labour relations—we have repealed the Industrial Relations Act which in part was modelled on your Taft-Hartley legislation and I want to put on record again our gratitude to your President and your Executive Council for the help and support they gave us in fighting the introduction of the legislation in Britain. We now have an entirely voluntary conciliation and arbitration service which has already contributed to the avoidance of some potentially serious disputes.

On our side we have undertaken to join with the Government in a policy to bring down the rate of inflation to 10 per cent next summer. This involves action on the part of Government to control prices and agreement by the TUC with the guideline of a flat rate increase of six pounds per week over the next twelve months.

We believe the policy is fair and that it is going to work. Most importantly we believe that success on the inflation front will enable the Labour Government to carry out in the longer term industrial and economic policies which it was elected to carry out. We retain our independence from the Government. We entered into our agreements with the Government quite freely and voluntarily but also in a spirit of mutual trust, trust in a new view of Britain in which workers will move towards a greater measure of control of their own environment.

We have long been playing a major role in shaping the future of the economy and industry nationally through our National Economic Development Council and through separate economic development committees for a large number of important industries. We are now in process of establishing a parallel role for trade unionists within individual companies. There is no doubt that there is a vast reservoir of wisdom and talent among the quarter of a million shop stewards and other workers' representatives which can play a part in improving the performance of industrial companies.

You may ask whether trade unionists want to carry out this function. Undoubtedly there is reluctance among large numbers of our members to accept that trade unionists should intervene in a field traditionally regarded as the sole concern of management. Well, we are going to put it to the test in a practical way. Our view is that where the unions in an enterprise say they want to

be involved in making policy for the enterprise they should have the right to nominate half the members of a supervisory board, where the important decisions—the decisions that can hurt—would be made. We are well aware of the risk of a trade unionist on a supervisory board losing contact with those who elected him. We are recommending that trade union channels should be used so that work people will have regular reports. At the TUC we think that a scheme on these lines will give thousands of trade unionists a clearer insight into the financial problems facing management but more important it will ensure that managements and governments build into their plans a recognition and acceptance to a greater or lesser extent of a trade union viewpoint and of the interests of working people.

In these ways we hope to advance the interests of our members at enterprise level, within industries, and in national policy making. Our General Council know that even this range of activity is not enough. Daily we are reminded of the extent to which the success of our efforts is dependent on developments in other parts of the world. Never before have we needed international trade union co-operation so much in the world as we do now. Like you we want to see a more peaceful world, a more equal world, and in solidarity, understanding, and friendship among working people internationally we see a trade union answer to tension and distrust, and to the evident economic problems of the world.

The General Council have maintained their support for and active participation in the activities of the International Confederation of Free Trade Unions. We are looking forward to the World Congress of the ICFTU which will be held in Mexico later this month and to the opportunity that it will provide to the free trade union movement to work out a strategy to help resolve some of the conflicts between industrialized and developing countries. We are maintaining our support for the International Labour Organization which—when it stays out of politics—can be of great service to working people throughout the world. It deals with important questions—employment promotion, trade union freedoms, occupational safety and health, and training. It has a solid record of achievement behind it in laying down a series of international standards which can be of vital importance in guiding developments in the labour and social fields in emergent countries which also benefit from the technical co-operation programme financed by the United Nations Development Programme.

The continuation of this work is now in jeopardy because of a political division arising from the admission of PLO representatives as observers to some ILO meetings. Like you the TUC General Council thought it was wrong that the PLO should be given this recognition. They are not a country, they have no responsibil-

ities in the labour or social fields—their expertise lies elsewhere, in areas in which the trade union movement has no desire to venture. But we hope that the problems to which the decision on recognition has given rise will not disrupt more than they have already the constructive activities of the ILO which provide to millions of workers in the third world, men and women who are oppressed and underprivileged, a hope of a better life and a means to achieving practical improvements.

Our General Council have tried to make a contribution to international understanding through bilateral contacts as well. We have been ready to talk to workers' representatives from any country and have established contact with trade union centres in many countries with different outlooks. We have done what we can to alleviate the suffering of trade unionists who have been the victims of oppression in Chile, in Spain, in Ethiopia, and in other countries where basic trade union freedoms are denied. We stand ready to help if requested, in Portugal where the democratic way of life hangs in the balance. We are attempting to help to create workers' organizations in South Africa by giving assistance directly to educational institutions providing essential training on trade union principles and methods to African workers. It is practical help of a kind which trade unionists everywhere will understand and it is urgently needed by the great majority of the working people of South Africa who are at present unorganized and virtually unrepresented.

Finally, let me take this opportunity of congratulating you in advance on the achievement of two hundred years of nationhood next year. The American trade union movement has made an unrivalled contribution to the history of your country and to the great U.S. tradition of democracy, equality and freedom. Your fight and that of your forefathers against oppression and for social justice has been and continues to be an inspiration to working people in Britain and in many other countres. You have our best wishes or the success of your efforts on behalf of the workers of the United States in the future. May you continue to fight injustice and uphold freedom both here and internationally as vigorously as you have done to date and may the celebration of your bicentenary inspire you to even greater achievements.

(Applause.)

PRESIDENT MEANY: Thank you very much Brother McGarvey, for that interesting and enlightening message.

(Applause.)

The Chair at this time recognizes the Chairman of the Committee on Executive Council Report for a report to the convention. Vice-President Raftery.

REPORT OF THE COMMITTEE ON EXECUTIVE COUNCIL REPORT

COMMITTEE CHAIRMAN S. FRANK RAFTERY: Mr. Chairman, your Committee on the Executive Council Report has concluded its work and is prepared to present its report to this great convention. The report will be made by the Secretary of the Committee, Paul Jennings, President of the International Union of Electrical Workers.

. . . Committee Secretary Jennings presented the following report to the convention:

Thank you, Bud.

The Executive Council Report to the Eleventh Constitutional Convention of the AFL-CIO is an historical review and a report on the current situation in the various areas in which the Federation is involved.

In addition to an account of the stewardship since the 1973 Convention, this Report contains detailed proposals from the Council to the Convention with recommendations for action.

These recommendations covering 39 different subject areas are referred by this Committee to the Committee on Resolutions, the Committee on Education and the Committee on Constitution for appropriate discussion and action.

THE PRESIDENT'S REPORT

We share President Meany's concern that the Report of the Executive Council is "the gloomiest ever presented to an AFL-CIO Convention in this organization's 20-year history," and that the nation is "treading water in a whirlpool of crises."

We commend to the delegates President Meany's call to the leaders of the labor movement to play a vital role as to which path America will choose for the future as the country approaches its Bicentennial year.

We note his warning that old alliances of workers, the civil rights movement and various progressive groups have been strained by economic conditions and "weakened by demagogic attacks" but share with him his feeling that these alliances "will endure."

THE SECRETARY-TREASURER'S REPORT

This section shows that the average membership of the AFL-CIO for the two-year period ending July 31, 1975, based on per capita payments, was 14,066,000, a gain of 660,000 over the 1973 figure. The membership figure represents the largest increase in membership since 1967.

A detailed accounting of income and expense items of the Federation is contained in a series of 12 tables. The net worth of the AFL-CIO, as of June 30, 1975, increased by $1,381,570 during the two-year period since the last Convention.

This section of the Report includes a summary of more than $1.6 million in receipts and disbursements of the special three-month assessment for the United Farm Workers. It notes also recent Council action dealing with minimum dues of Directly Affiliated Local Unions.

THE LABOR MOVEMENT

The Committee notes that there were three changes on the Executive Council since the last Convention, two mergers and the chartering of a new department—the Public Employee Department.

The continuing success of the Internal Disputes Plan machinery, established by Article XX of the Constitution, is commended to the attention of the delegates.

We note also that the Department of Organization and Field Services has set up a clearinghouse operation to oversee the workings of the National Labor Relations Board both at the national and local levels, and its activities since its creation several years ago, including support for the farm workers and its involvement in cooperative organizing programs and consumer boycott activities.

WATERGATE

The Report highlights one of the most important and dramatic events in the nation's history in this section on Watergate, noting that as a result of the pardon of former President Nixon "the American people were denied the final truth—the conviction or admission of guilt." It notes, however, that as far as the American public was concerned, their decision was in—they found Richard Nixon guilty.

This section of the Report recounts the activities undertaken by the Federation in response to the 1973 Convention's call on Nixon to resign or face impeachment. Watergate has left America a scarred, but "hopefully a better nation," the Report notes, and in the final test "this system of government did work, and we in the labor movement can be proud that our faith in America stood that test."

THE NATIONAL ECONOMY

The Council's assessment of the economic situation is especially called to the delegates' attention as it reviews in detail

the events since the last Convention, including the emergency meeting of the AFL-CIO General Board.

The Council notes that the economy is in the "most dangerous mess in forty years" and because of Administration and congressional failures to adopt job creating programs and policies, the outlook is for "an anemic pick-up, resulting in persistent high unemployment, large amounts of idle plants and machines, a sluggish pace of productivity improvements and continuing, large deficits in the federal budget."

The Report warns of danger signs of an "aborted pick-up from the recession, resulting from increasing interest rates, price increases for food and fuel" and the ending of emergency income tax cuts.

This section notes also that despite the worst recession since the 30s, "collective bargaining continued to be a major force for improving wages, living standards and working conditions." It deals also with the problems of tax reform, financing state and local governments, manpower policies and consumer protection.

ENERGY AND THE ENVIRONMENT

These major problem areas have been given new emphasis by the Council. The Report reviews developments since the Arab oil embargo which was launched on the day the 1973 AFL-CIO Convention began and stresses the fact that the nation still lacks a comprehensive and intelligent energy policy.

On the environment the Report firmly rejects the counsel of those who say the choice is the environment or jobs declaring that "America can and must have a clean environment and jobs, too."

It singles out employers making false claims about environmental controls and the "no-growth" advocates who want to "clean up every form of pollution except the human pollution of unemployment."

THE INTERNATIONAL SITUATION

A detailed review of developments in international affairs over the past two years is an important contribution in this section of the Report. It deals with developments in the Middle East, Latin America, Southeast Asia, Northern Ireland, Europe, Portugal and with the weakening alliances between free world nations.

The Report decries the fraternization of democratic labor centers in Western Europe with communist labor fronts and reports on developments in the International Labor Organiza-

tion, citing the admission of the Palestinian Liberation Organization as ending the usefulness of the ILO "until remedial changes are undertaken."

The Report contains an excellent analysis of the current critical problems in the field of international trade and investment, the rapid change in international economic relationships and the growth of multinational companies and the impact of the Trade Act of 1974.

SOCIAL SECURITY

This section of the Report underscores the impact of inflation on the elderly as well as the problems of discrimination against older Americans in the job market. It deals also with the nation's inadequate welfare program and the need for strengthening social service programs.

The strains and stresses placed on the unemployment insurance system by the current recession and the lack of progress in workers' compensation are pointed up in this section of the Report. The Council also cites new concerns in the areas of child care and renews the ongoing campaign for national health insurance legislation.

The Council notes also the passage of the Pension Reform Act and the need for vigilant observation to insure fair administration and adequate appropriations.

URBAN AFFAIRS AND HOUSING

The worst decline in housing construction in three decades is noted in this section of the Report along with the continuing need for action to fulfill the promise of a national housing policy.

This section reports also on the activities of the Human Resources Development Institute and the accomplishments of the Mortgage Investment Trust.

The Report takes special note of the problems facing the veterans and the need for new programs and enlargement of old ones so that the nation can fulfill its obligations to the men and women who have served in the armed forces.

EDUCATION

An analysis of the developments and trends in education over the past two years demonstrates that inequality of opportunity remains a constant fact in American life.

This section describes the operations of the AFL-CIO Labor Studies Center which began its residential programs at its new

Silver Spring campus and contains a general review of the problems of labor education.

The role of labor in marking the nation's Bicentennial is described in this section stressing the opportunity for broad participation at all levels of the labor movement.

COMMUNITY SERVICES

The role of the AFL-CIO and its involvement in a wide range of community programs are outlined in this section of the Report.

Special emphasis is placed on the problems of the unemployed and the need to bring to bear on the problems of the unemployed the wide range of community and social service agencies.

The Council notes that community service programs are necessary to meet the out-of-plant needs of union families and that these needs are expanding in our troubled society.

SAFETY AND OCCUPATIONAL HEALTH

The Report reviews and summarizes "a pattern of administration designed to frustrate" the goal of a safe and healthful workplace for every worker.

The promise inherent in the legislation must be lived up to, the Report says, by putting an end to administrative delays either for lack of funds or the lack of commitment by the Administration.

CIVIL RIGHTS

The high level of unemployment in the current recession has had a devastating impact on all workers especially on minority groups, this section of the Report notes. It cites the progress made in eliminating discrimination in the workplace but notes that the economic situation poses a new and difficult problem.

This section reviews the operations of the Equal Employment Opportunity Commission and the labor movement's relationship with community organizations such as the A. Philip Randolph Institute and the Labor Council for Latin American Advancement. The increase of women workers in the labor force and the new problems they face are dealt with in this section along with the continuation of the labor movement's involvement in eliminating discrimination based on sex.

LABOR AND THE LAW

This section of the Report reviews important legal decisions of the past two years at the Supreme Court level. It points out

that the Court has produced few important decisions favorable to the labor movement and many decisions whose effect will be "seriously detrimental."

In a detailed review of important cases and decisions this section deals with anti-trust problems, fair employment, collective bargaining and state courts and federal labor law policy.

NATIONAL LEGISLATION

A comprehensive review of major national legislation is contained in this section of the Report with special attention to the actions taken on the six-point AFL-CIO Action Program adopted by the AFL-CIO General Board early in 1975.

The legislative assessment in this section deals with the AFL-CIO position and the legislative history on jobs and the economy, housing, the environment, health, education and welfare, consumer affairs, labor legislation, civil rights, civil liberties, elections, congressional reform and foreign affairs.

STATE LEGISLATION

This section of the Report highlights some of the efforts of the trade union movement at the state level to secure legislation in a number of important areas.

Covered in this section are right-to-work legislation, public employee bargaining and farm workers legislation.

POLITICAL ACTIVITIES

The Committee strongly commends to the delegates this section of the Report dealing with political activities and a detailed review of the 1974 elections.

This section of the Report also contains a review and summary of the major developments in the areas of federal and state campaign reform legislation.

HEADQUARTERS

The Committee notes with approval the reports of the AFL-CIO Headquarters Departments and their various activities.

These reports indicate a continuing implementation of AFL-CIO programs. The Committee commends the work in these Departments in the past two years.

TRADE AND INDUSTRIAL UNON DEPARTMENTS

The Executive Council Report transmits without approval or disapproval the Reports of the various Constitutional Departments of the AFL-CIO.

These Reports indicate the functions of these Departments and the value they contribute to their affiliated unions and to the members of those unions.

PRESIDENT MEANY: The Chair recognizes Chairman of the Committee.

COMMITTEE CHAIRMAN RAFTERY: Mr. Chairman, the report is signed by Angelo Fosco, Laborers; Daniel E. Conway, Bakery & Confectionery; Robert Georgine, Building Trades Department; Joseph P. Tonelli, Paperworkers; James M. Roberts, Stove & Allied Appliance; Thomas F. Murphy, Bricklayers; Edward J. Carlough, Sheet Metal; E. Howard Molisani, Ladies, Garment Workers; Keith Johnson, Woodworkers; James E. Yost, Railroad Employees Department; George Fecteau, United Shoe Workers; Howard C. Collins, United Garment; Carl Scarbrough, Furniture Workers; R. E. Livingston, Carpenters; John McNamara, Firemen & Oilers; John Bowers, Longshoremen; Frank Parker, Retail, Wholesale.

We move adoption of the Committee report, Mr. Chairman.

PRESIDENT MEANY: I have a motion to approve the report of the Committee. Is there any discussion? Is there any objection?

Hearing none, the motion is approved and so ordered.

The Chair recognizes the Chairman of the Committee on Resolutions, Vice President Abel.

I would like to ask Vice President Max Greenberg to take the Chair for a few minutes.

. . . Vice President Max Greenberg assumes the Chair.

REPORT OF COMMITTEE ON RESOLUTIONS (Resumed)

COMMITTEE CHAIRMAN ABEL: Mr. Chairman, the Resolutions Committee is prepared to resume its report, and I would like at this time to call upon the Secretary of our Subcommittee No. 2 to continue the report for the Committee, Vice President Murray Finley.

Murray.

. . . Subcommittee Secretary Finley presented the following report:

FEDERAL RESERVE SYSTEM AUDIT

Resolution No. 6

(Book 1, Page 9)

This resolution covers Resolution No. 86.

This resolution states that the Federal Reserve Board regulates

the money supply through the Federal Open Market Committee which has tremendous unregulated power over the economy. It emphasizes that the tight money policy of the Federal Reserve Board and its Open Market Committee under the dual chairmanship of Dr. Arthur Burns has been a major factor in the present economic crisis. The resolution calls for the AFL-CIO to continue to support enactment of legislation establishing regular audits of the Federal Reserve System.

The Committee recommends adoption of Resolution No. 6, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

REGULATORY REFORM

Resolution No. 7

(Book 1, Page 11)

This resolution calls for a complex legislative program to deal with regulatory agencies.

The Committee recommends that Resolution No. 7 be referred to the Executive Council and I so move.

. . . The recommendation of the Committee was unanimously adopted.

SOLID WASTE POLICY

Resolution No. 20

(Book 1, Page 27)

This resolution endorses resource recovery and energy conservation to deal with the nation's solid waste disposal needs and calls for positive action by Congress on solid waste management. The resolution opposes job-destroying proposals to ban disposable cans and bottles or to curtail use of certain materials.

The Committee recommends adoption of Resolution No. 20, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

MINIMUM WAGE

Resolution No. 21

(Book 1, Page 29)

This resolution calls attention to the fact that new minimum wage legislation is needed to bring up the wages of lower paid

workers and help create purchasing power needed to stimulate the economy and create jobs.

Federal legislation is called for to increase the minimum wage to $3.00 per hour.

The first resolve on page 30 should be amended to read:

That the AFL-CIO calls upon the Congress and the President to enact new amendments to the Fair Labor Standards Act to increase the minimum wage to $3.00 an hour and to establish doubletime for overtime after 8 hours a day and 40 hours a week.

The Committee recommends adoption of Resolution No. 21 as amended, and I so move.

... The recommendation of the Committee was unanimously adopted.

ARBITRATION

Resolution No. 22

(Book 1, Page 30)

This resolution calls for the AFL-CIO to set up a Department of Arbitration.

The Committee recommends that Resolution No. 22 be referred to the Executive Council, and I so move.

... The recommendation of the Committee was unanimously adopted.

REHABILITATION OF THE RAILROADS

Resolution No. 28

(Book 1, Page 36)

This resolution calls on Congress to set up a U.S. Rail Trust Fund, supported by a tax on diesel fuel, for rehabilitation of railroad tracks.

The Committee recommends that Resolution No. 28 be referred to the Executive Council and I so move.

... The recommendation of the Committee was unanimously adopted.

RAILROAD HIGHWAY GRADE CROSSING SAFETY

Resolution No. 29

(Book 1, Page 37)

This resolution supports the principle of public funding of rail-

highway crossing projects to be included in the Federal Aid Highway Act.

The Committee recommends that Resolution No. 29 be referred to the Executive Council and I so move.

... The recommendation of the Committee was unanimously adopted.

TRANSFER OF RAILROAD SAFETY ENFORCEMENT TO THE DEPARTMENT OF LABOR

Resolution No. 30

(Book 1, Page 39)

This resolution calls for the transfer of railroad safety jurisdiction from the Department of Transportation to the Department of Labor.

The Committee recommends adoption of Resolution No. 30, and I so move.

... The recommendation of the Committee was unanimously adopted.

ESTABLISHMENT OF AN OFFICE OF PUBLIC COUNSEL WITHIN THE INTERSTATE COMMERCE COMMISSION

Resolution No. 31

(Book 1, Page 40)

This resolution calls for setting up in the I.C.C. an independent Office of Public Counsel to represent the public interest.

The Committee recommends adoption of Resolution No. 31, and I so move.

... The recommendation of the Committee was unanimously adopted.

THE FINAL SYSTEMS PLAN OF THE UNITED STATES RAILWAY ASSOCIATION UNDER THE REGIONAL RAIL REORGANIZATION ACT OF 1973

Resolution No. 32

(Book 1, Page 41)

This resolution commends the U.S. Railway Association and the I.C.C. Rail Services Planning Office and supports legislation

to increase federal funding for the Consolidated Railroad Corporation and legislation to postpone abandonment of all lines in the Northeastern Region.

The Committee recommends adoption of Resolution No. 32, and I so move.

... The recommendation of the Committee was unanimously adopted.

RECESSION INSURANCE FOR STATE AND LOCAL GOVERNMENTS

Resolution No. 38

(Book 1, Page 47)

This resolution details the adverse effects of recession on state and local governments and calls for a federal program to provide funds to state and local governments during this period of recession and high unemployment by enacting a program of countercyclical assistance.

The Committee recommends adoption of Resolution No. 38, and I so move.

... The recommendation of the Committee was unanimously adopted.

THIRTY-FIVE HOUR WORK WEEK

Resolution No. 51

(Book 1, Page 66)

This resolution calls for a reaffirmation of the AFL-CIO's commitment to a shorter work week.

The last paragraph should be amended to read as follows:

"Resolved: That this convention reaffirms the AFL-CIO's endorsement of decrease in hours worked whether on a daily, weekly, or annual basis with no reduction in wages or benefits and the principal of a 35-hour work week achievable in the shortest possible time."

The Committee recommends adoption of Resolution No. 51 as amended, and I so move.

... The recommendation of the Committee was unanimously adopted.

PREVAILING RATE FOR GOVERNMENT PRINTING

Resolution No. 54

(Book 1, Page 70)

This resolution condemns the practice of the Government Printing Office in penalizing union shops by ignoring the clear purpose and intent of the Walsh-Healy Act and calls upon the AFL-CIO to determine whether remedial legislation is required or whether the Secretary of Labor should be urged to determine the prevailing rate under the Walsh-Healy Act by a formula which gives due regard to the wages negotiated by unions in the graphic arts industry.

The Committee recommends adoption of Resolution No. 54, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

TRANSIT FARE AND LUNCHES AS DEDUCTIBLE EXPENSE ITEM

Resolution No. 56

(Book 1, Page 73)

This resolution calls for transit fares and lunch costs to be deductible on federal, state and city income tax.

The Committee recommends that Resolution No. 56 be referred to the Executive Council, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

AIRLINES MUTUAL AID PACT

Resolution No. 71

(Book 1, Page 85)

This resolution reaffirms support for a legislative ban on the Airlines Mutual Aid Pact.

The Committee recommends adoption of Resolution No. 71, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

THE ROLE OF TAX-EXEMPT FOUNDATIONS

Resolution No. 77

(Book 1, Page 93)

This resolution calls for legislation on tax-exempt foundations.

The Committee recommends that Resolution No. 77 be referred to the Executive Council, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

PUBLIC SERVICE EMPLOYMENT

Resolution No. 78

(Book 1, Page 94)

This resolution opposes a $10,000 limit on public service jobs and calls for use of education agencies to be prime sponsors of manpower programs.

The Committee recommends that Resolution No. 78 be referred to the Executive Council, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

ENDING THE MONOPOLY OF BIG OIL

Resolution No. 81

(Book 1, Page 97)

This resolution notes the extent of the monopoly power of big oil and the many times the American public has seen documented evidence of the anti-competitive practices of the oil industry, and has seen our national energy policy drawn up by the oil executives running our Federal energy agencies.

It calls upon the Congress to begin, once and for all, the serious task of legislating the restructuring of the American oil industry and notes that until these changes are brought about the American consumer will continue to be the unwilling victim of the greedy and insensitive plunder by the oil monopolies.

The Committee recommends adoption of Resolution No. 81 and I so move.

. . . The recommendation of the Committee was unanimously adopted.

GUARDS UNDER NLRA

Resolution No. 82

(Book 1, Page 97)

This resolution calls for support of legislation to permit guards to join a union that represents workers other than guards.

The Committee recommends adoption of Resolution No. 82 and I so move.

. . . The recommendation of the Committee was unanimously adopted.

UNION SHOP FOR PUBLIC EMPLOYEES

Resolution No. 85

(Book 1, Page 100)

This resolution calls upon the AFL-CIO to urge Congress to protect the right of public employees for the "freedom to contract" a union shop agreement.

The Committee recommends that this resolution be referred to the Executive Council and I so move.

. . . The recommendation of the Committee was unanimously adopted.

THE NATIONAL ECONOMY

Resolution No. 94

(Book 1, Page 103)

This resolution covers Resolution Nos. 24, 49, 57, 76 and 86.

This resolution calls attention to the fact that the deepest and most prolonged recession since the 1930s has resulted in the highest unemployment in the post World War II period and has made the economy weak and vulnerable.

The resolution points out that there is a real danger of another economic downslide because of (1) the tight money, high interest rate policies of the Federal Reserve Board; (2) continuing inflation caused by rising fuel and food prices; and (3) the fact that the emergency cuts in the individual income tax designed to stimulate the economy and create jobs will terminate at the end of this year unless Congress acts.

The Administration's focus on the size of the budget deficit rather than the need to create jobs and stimulate the economy is

sharply criticized and the resolution points out that each one percent rise in unemployment costs the federal government about $16 billion in lost tax revenue and added social costs.

The resolution underscores the need for decisive, positive government action to create jobs, generate buying power, and carry the economy forward. Programs are urged including the extension of the individual income tax cuts for 1976; full implementation of government housing programs; the enactment of an accelerated public works program and a greatly expanded public service employment program; federal financial aid to state and local governments hard pressed by high unemployment; restoration of railroad track and roadbeds; improvements in the unemployment insurance system; a comprehensive national energy policy; tax loophole closing; and the adoption of an international economic policy to stop the export of American jobs and the undermining of the nation's industrial base.

The resolution also calls upon the Congress to direct the Federal Reserve Board to reduce interest rates, and allocate available credit to high priority purposes such as housing and community facilities.

The Committee recommends the following amendments:

On page 110 a new last paragraph numbered 16 should be added to reaffirm and reemphasize the AFL-CIO's commitment to full employment. The new paragraph should read as follows:

16. The immediate adoption of a national full employment policy. The Employment Act of 1946 contained more promise than action. We need legislation which provides that the President and Congress spell out specific programs to create jobs for every American willing and able to work. At long last we must recognize that in our modern society a worker is entitled to a job as a matter of right and the total society including government, must assume this responsibility and must guarantee its fulfillment.

On page 107 the third full paragraph should be amended to read as follows:

"The threat of another giveaway of grain to the Soviet Union would boost already intolerably high food prices and shorten domestic supplies."

On page 107 in the fourth paragraph, 3rd line, delete the word "planned."

On page 108, item No. 1 should be amended to read:

1. The current withholding rates under the individual income tax law, scheduled to terminate on December 31, 1975, must be

extended through 1976 to prevent a sudden tax increase which would have a depressing effect on the economy.

On page 108, item No. 7 should be amended to read:

7. Federal funds should be made available for a program of restoring railroad track and roadbeds using American made materials.

On page 109, the fifth paragraph, line 6, delete the word "suspended" and substitute "eliminated."

On page 110, the fifth line, delete the phrase "be especially wary of" and substitute the word "block."

The Committee recommends adoption of Resolution No. 94 as amended, and I so move.

SUBCOMMITTEE CHAIRMAN GREENBERG: You have heard the resolution. The recommendation of the Committee on Resolution No. 94 on the National Economy, as amended.

Is there any discussion?

Mike 2.

DELEGATE CHARLES HAYES, Meat Cutters: I want to rise first on a point of privilege in that it would be quite helpful, Mr. Chairman, if you would sort of limber up that gavel and request some attention because it is extremely difficult to hear with all of the commotion that is going on in the convention hall.

SUBCOMMITTEE CHAIRMAN GREENBERG: I will do that.

Will the delegates pay attention please.

DELEGATE HAYES: This resolution, so far as I'm concerned, is one of the most important and comprehensive resolutions that has come before this convention. I think at least it ought to get the attention of all the delegates.

I'm in complete support of the resolution, Mr. Chairman, but I'm a little bit amazed at its failure to even make any reference to the Hawkins-Humphrey Bill which deals with the question of unemployment.

I would like to know what is the official position of the Executive Council on this propsed measure, HR 50?

PRESIDENT MEANY: I don't know whether we have another resolution, I haven't gone over the Book of Resolutions. We have taken no position as far as I know on the Hawkins Bill.

Is there any further discussion on the recommendation of the Committee on Resolution No. 94?

Mike 3.

DELEGATE WILLIAM LUCY, State, County and Municipal: I, too, rise in support of the Committee's amended resolution. Apparently, and I believe now it is going to be corrected, the resolution we are dealing with encompasses all of those that deal with full employment that were submitted in addition to the General Board program that was adopted in October, is that correct?

PRESIDENT MEANY: That is correct. It covers Resolutions 24, 49, 57, 76 and 86.

DELEGATE LUCY: I would only have one comment to make, Mr. Chairman, and that is with regard to the priorities. As the reporter spoke to the resolution, he spoke to the cost of the current level of unemployment. He spoke to the basic costs for each percentage point that is reduced.

Apparently what we have got to a degree is a conflict in priorities. As an example, we are currently operating with a House and Senate Budget Committee Resolution that adopts a limit on the deficit on one side, and on the other side a reduction in spending and in job creating arenas. In one resolution, in particular Resolution No. 49, the last two resolves dealt with an effort to prioritize the spending of Congress with regard to job creation programs.

If I may, I would like to read the last two resolves so that I can clarify the point I'm trying to make:

RESOLVED: That the AFL-CIO urges Congress to abandon the "trickle down" theory of economic recovery being pursued by the Ford Administration, and replace it with expansionary monetary and fiscal policies which have as priority expenditures in the federal budget job creating programs with a commitment to full employment, and the resulting growth in purchasing power of the American consumer, and be it further

RESOLVED: That the AFL-CIO urges Congress to utilize a job-creation criterion in setting national spending priorities, especially with regard to the trade-off between expanding military programs in peace-time and a neglected human resource sector.

The point I'm trying to raise, Mr. Chairman, is that broad program spoken to in the resolution. If we are going to continue to operate with an administration deficit, with the House and Senate budget deficit, the place to get the money to carry out the other programs we are talking about seems to me to be sort of a give and take situation. What I would like to propose, and possibly it is spoken to in the resolution, is that the AFL-CIO say to Congress what we want their priorities to be in terms of its use of the federal budget to create jobs. I would hope that [illegible] that

concept is embodied in that resolution, I sincerely totally support the resolution. I just hope that we don't simply adopt a lot of resolutions without stating specifically the priority that we want to address them to.

PRESIDENT MEANY: I think, if you listen, the resolution does cover that particular point.

Now a week ago Wednesday I spent two and one-half hours before the Senate Budget Committee, set up under the Chairmanship of Senator Muskie, and I stressed the very priorities that you spoke of. What we have there is a situation where the Budget Committee sends out each week a scorecard on pending legislation before Congress, and the scorecard merely adds up the dollar figures. In other words, you are putting—very, very definitely putting dollars and money prior to the needs of people, prior to the needs of the unemployed.

Now, it is quite obvious that you can't put a $67 billion limit on spending, as one of the congressional committees has done, or $60 billion limit, as President Ford put before the American people some months ago when he stood at a chart and he said, "We won't go any higher."

Now, it is quite obvious that if that is to be the policy of both the administration and the Congress, then we are going to have a continuation of these vetoes of job-creating legislation and those vetoes, of course, will be sustained by the Congress. However, I am very hopeful that there is going to be a change in the situation over this Congress, and I think that they are going to turn around to the point where they are going to put people ahead of money.

The situation in regard to the budget is: That every percentage point, every percentage point that you bring the budget down—bring unemployment down, rather, you contribute $16 billion to the budget. Now, that means that you get tax revenue instead of paying out unemployment and welfare, of course, and there is no difference between economists on that $16 billion figure.

Now, let's say we are going to have a $64 billion deficit this year. If we could bring down unemployment to the level that it was when Nixon and Arthur Burns took charge back in 1969, three percent, that in itself would wipe out the budget deficit for this year because by bringing it down four points we would exactly add revenue to the federal government of $64 billion. And we don't seem to be able to get this point over before the Congress.

However, I have a certain philosophy about these things. Somehow or other, Congress and the administration, whoever happens to be in the White House, they take a little different view

of these things as Leap Year approaches. I don't know just what it has got to do with Leap Year except that Leap Year happens to coincide with the year of the national election.

I notice where President Ford said yesterday that he would not go for an extension of the tax cut, which we have had since last May, unless the Congress made compensating reductions in the federal budget. So I would say to President Ford "Thanks for nothing," because in the final analysis that means nothing. Unless he is willing to temporarily accept a higher budget deficit, we are not going to solve this unemployment problem. And next January, unless they extend this tax credit which went into effect last May, and which Secretary Dunlop has publicly recommended before a Congressional Committee, the net effect would be that millions of workers in this country would have a reduction in their take-home pay. And I just happen to feel, despite Arthur Burns, despite Alan Greenspan and despite G rald Ford's long-time record of conservatism, that next January that tax cut is going to be extended because next January is going to be the beginning of a Leap Year.

(Applause.)

Now, is there any further discussion on Resolution No. 94, as reported by the Committee?

Those in favor of the motion to adopt, signify by saying "aye."

Contrary?

Carried and so ordered.

Now, I would like to interrupt the work of the Committee for a few minutes in order to bring to you a representative of the Canadian Labour Congress, a very gracious lady who is sitting up here on the dais, and who will now talk to the convention.

She is Mrs. Shirley G. E. Carr. She became active in the labor movement some years ago in the Canadian Public Employees' Union, representing the City of Niagara Falls. She has held numerous local and union offices, and in 1970 she was instrumental in organizing employees of the Regional Municipality of Niagara, and became the President of that organization.

She now holds a very high office of Executive Vice-President of the Canadian Labour Congress, and she is the fraternal delegate from the Canadian Labour Congress to the AFL-CIO Convention.

I am delighted to present you Mrs. Shirley G. E. Carr.

(Standing ovation.)

ADDRESS TO THE CONVENTION BY MRS. SHIRLEY G. E. CARR

Executive Vice-President, Canadian Labour Congress

Thank you very much.

Mr. President, I congratulated you this morning briefly on your presentation to this delegation yesterday, and I would like to take a moment to publicly congratulate you on the fine words that you gave to your delegation. I think the membership across this great country was waiting for such a message as that.

It also gives me great pleasure to address your Eleventh Constitutional Convention, and to bring with me the fraternal greetings of two million brothers and sisters from across Canada to this delegation.

Mr. President, it would be a happier occasion if I could simply say that all is well with American and Canadian workers on this continent, that their interests and those of their families were well insured by wise economic and social policies now being pursued by our respective governments. Perhaps I could even get into a more cheerful mood if somebody could brainwash me into thinking that the nightmare of the past few years of high unemployment, high inflation, the falling off of real wage and salary incomes, which have afflicted tens of thousands of working people on both sides of our common border, was at an end. Maybe I could shake off that nightmare if someone could give me positive assurance that 1976 is going to be a much brighter year for both of our countries in terms of making significant reductions in the rates of unemployment and inflation, and thus alleviating the miseries of many American and Canadian families. But unhappily, we have no such evidence that 1976 is going to be a year of great prosperity, or even that the immediate years following, will prove to be much better.

Your AFL-CIO News, dated last August 9th, stated as one of the principal "backdrops" for this Convention was the "acute economic recession" and to "deal forthrightly" with the nation's problems "in the best interests of working people and of all Americans." It went on to say that President George Meany and Secretary-Treasurer Lane Kirkland ascribed the economic crisis to "misguided governmental policies" and that the convention call cited the fact that:

"Unemployment remains at an intolerably high level. Production and construction continue stagnant, under the weight of exorbitant interest rates."

Brothers and Sisters, President Meany could have made that statement, with the same validity, had he addressed himself to a Canadian audience which is similarly preoccupied with the same problems.

I read with great interest a transcript of your President's press conference at the Executive Council meeting of last July 30th in Chicago in which he quoted the United States' Administration forecasting an eight or nine per cent unemployment rate up until the end of this year, with possibly 8½ per cent next year. There is very little difference in the unemployment prospects between our two countries. The Canadian unemployment rate will be close to 8 per cent and it is almost inevitable that unemployment for 1976 as a whole will be about the same, and regretably perhaps even higher.

The reference to "exorbitant interest rates" in your Convention call would have applied equally to Canada. We have also been suffering from an acute recession, although not quite as serious as yours, but at the same time we have been afflicted also with high interest rates. But those interest rates which have seriously damaged economic recovery and construction of housing units, and undermined the ability of at least 90 per cent of Canadian families to purchase homes, were not good enough for the central banking authorities. Our Bank of Canada decided, in one of its typical abberations, to increase its bank rate recently from 8.0 to 9.25 per cent. Well, I shall not bore you, brothers and sisters, with the details of what immediately happened to the prime interest rates of the private Canadian banks and mortgage companies. The officials of those agencies couldn't wait to get to their offices fast enough to issue instructions that their interest rates were to go up.

But perhaps it was not all that important, since the vast majority of Canadians had for a long time been priced out of the housing market and out of loans which they needed for essential consumer purchases.

On this particular matter of interest rates, some of us, who may be inclined to be somewhat suspicious, wonder at times if the Federal Reserve Board, your counterpart of our Bank of Canada, sets interest rates willy-nilly which in turn affect Canada's interest rates. Our interest rates have traditionally been tied to yours, and any time that our central bank authorities meet with their opposite numbers in Washington, many of us in Canada really and truly shudder.

This leads me to the point that economic interdependence of our two countries is just as great today as it was decades ago. Economic decisions made in this country have a powerful bearing on the interests and welfare of Canadians, and, because we are a much smaller partner in this relationship, we are very much aware of every major economic policy decision made in Washington.

This is because two-thirds of our total exports, upon which we rely very heavily, go yearly into the American market. Your

dependence on exports in relation to your total output of goods and services is relatively small by comparison with ours.

But let me return to economic policy decisions made in Washington, which bear heavily on American and Canadian workers. I refer again to President Meany's press conference of July 30th, when he said, "Go down through the years—Arthur Burns' predictions and Greenspan's predictions and all these Administration economists that made predictions—they have not been borne out by events." But policies based on their predictions and advice had a tremendous effect, not only on the performance of the American economy, but also on ours.

Alan Greenspan, the chief economic adviser to the President of the United States, advised many months ago policy directions which were not in accordance with the economic trends in this country. Our former Minister of Finance, who has resigned, who was taken in hook-line and sinker by that bad advice, formulated policies which only worsened Canada's economic situation.

If we have anything currently in common between our two countries, it is bad economic advice, disgraceful policies which flow from that advice, and, as usual, the ill effects of those policies on the average wage and salary earner and the unemployed in our two countries.

Because of this close interdependence the time is fast approaching when the trade union movements, not only of the United States and Canada, but throughout the free world, must mobilize their collective strength in order to protect the jobs of their members. In terms of decision-making the world has grown smaller and more inter-dependent. More than ever before private corporate decisions are affecting the future development of whole nations, while at the same time we have witnessed in the last few years, international cartels abroad which have drastically affected the trading patterns of the entire world—indeed have affected the ability of some nations to trade.

PRESIDENT MEANY: On the question of jobs it is still my opinion that the multinational corporation is one of the culprits that successfully transports employment from nation state to nation state and without regard for the social devastation which follows.

As most of you are aware, by far the greatest majority of foreign operated subsidiaries in Canada are U.S. owned. If you consider this, along with the depressed economic conditions which prevail in both our countries, then we are inevitably led to the conclusion that the corporate community has made the economic decision that profits are better invested elsewhere.

It is the relatively simple matter of transferring capital from

one country to another which can wreak such tremendous havoc on working men and women. What we must stop to consider, is that labour is the factor in the economic equation that cannot be moved readily from country to country. Where capital flows like water, unrestricted in whatever direction it is guided, labour, the other partner in the production process is relatively immobile. Even in cases where no administrative restrictions exist, such as family ties, community responsibility, language and moving costs impose their own impediments. Thus, where labour is instrumental in producing the profits and investment capital of these multinational conglomerates, the private decisions which they are free to make, rob our own working people of their basic rights as human beings to a job. Brothers and sisters, this is a condition which we as union people can never tolerate, either in Canada or the United States.

(Applause.)

Similarly, the new technology which we as working people helped to develop is also exported abroad, to eventually return in the form of imports, which further rob us of our rightful place in society and of the fruits of our own labour.

In Canada international unions have come under severe criticism from a number of quarters within the community—politicians, academics, business people and, yes, even the ordinary man on the street. The denunciation of international unionism is most often cloaked in appeals to nationalism.

The critics of international unions forget that there are sound historical reasons behind the growth of international unions. The truth of the matter is that when U.S. corporations fled to Canada to escape their obligations to the working people of your country, and to exploit Canada's low wage area during the decades following the First World War, it was the labour unions in the United States which followed these corporations north. They pursued these runaway firms and compelled them to meet their social responsibilities in their new setting, and this is what one tends to forget. In brief, international unions exist on the North American Continent for sound historical reasons which many in Canada find it convenient to ignore. These people are unwittingly playing into the hands of the international corporations in their call for an end to international trade union co-operation. International corporations demand an international union structure—just as multinational corporations now demand a multinational union structure. The one necessarily calls for the other.

The trade union movements of our two countries pioneered international unionism. The challenge for the future is for us now to go forward and to pioneer in the field of multinational trade unionism together. (Applause) It is not the time for either of us to retreat into a narrow and parochial nationalism which,

in the end, will spell the doom of our past efforts at co-operation. The corporate community must never be given the satisfaction that such an event would afford to them.

Mr. President, in the few minutes which have been allotted to me I have attempted to outline the common problems with which our two countries are faced. I cannot stress too strongly that unemployment, inflation, lack of housing and multinational corporations present a shared problem to both of us. The solutions to these shared problems must not be of the kind that will destroy another vital feature which we also share in common—international unionism.

Because the affiliates of the Canadian Labour Congress negotiate with the same corporations found in the United States and because the policies of one country impinge so closely on those of the other, there must be a continuing respect for this close and interdependent feature of our two countries and certainly of our labour movements. To ignore it would be to deny the history and traditions which we have shared in common. A divided labour movement whether it be regionally, nationally or internationally has always worked in favour of labour's enemies. You and I know that. It would be a tragedy of monumental proportions if we permitted this to ever happen.

May I wish you well in your deliberations at this Convention and every success in coming to grips with the serious economic and social problems with which both our movements are plagued.

Brother Meany, it has been a great pleasure to be here, and I wish you a personal well being, and I thank you for being in such a great, wonderful, beautiful country.

Thank you.

(Standing ovation.)

PRESIDENT MEANY: Thank you very, very much, Mrs. Carr, for your enlightening address to this convention. I can only make one comment. You presented the problems of your nation, and I was struck by the similarity between the problems that you face and the problems that we face here in the United States.

Thank you very, very much.

INTRODUCTION OF FOREIGN VISITORS

PRESIDENT MEANY: We have at this convention approximately 180 foreign visitors. This is an old custom that we have carried on for many years. They come, they listen to the proceedings. We have instantaneous translation booths here in six different languages so they are able to follow the proceedings, and we are delighted to have them.

I'm now going to follow the custom of presenting a few of them to you which we will do from time to time during the convention so you will recognize them and know who they are.

. . . President Meany introduced the following foreign visitors:

Republic of China

Representing the Chinese Federation of Labor:

Shui Hsiang-Yun, The General Secretary

Lu Kuo-Hua, The Assistant General Secretary

Wu Pi-En, The President, Taiwan Provincial Federation of Labor

Edward Sung Che-Hsiung, The Chairman, Taiwan Petroleum Workers' Union

Chen Hsi-Chi, The President, Taiwan Federation of Sugar Workers' Union

Tanzania

J. M. Mpangala, Assistant General Secretary, National Union of Tanganyika

Singapore

C. V. Devan Nair, Secretary General, Singapore National Trade Union Congress

Malaysia

P. P. Narayanan, President, Malaysia Trade Union Congress

Ghana

A. M. Issifu, Secretary General, Ghana Trades Union Congress

Kenya

Mrs. Winifred Mwendwa, Member of Parliament, Parliamentary Liaison for Labor Relations

Zambia

Newstead Zimba, General Secretary, Zambia Congress of Trade Unions

Japan Shipbuilding and Heavy Machinery Workers

Shoji Nagai, The Director of the Research Affairs Bureau

Tomomi Tokura, The Secretary General, Yokohama Shipbuilding Local

Ryoichi Yamada, Director of Finance, Tamano Local

Yasumasa Motomiya, Director of Wage Policy Department, Kawasaki Heavy Industries Workers Union

Indonesia

Rasjid Sutan Radjamas, Chairman for Law, FBSI

Agus Sudono, General Chairman, FBSI

. . . Secretary-Treasurer Kirkland announced the time and location of various committee meetings.

. . . Secretary-Treasurer Kirkland announced a change in membership of the Committee on Labels, Catherine Peters being replaced by Mattie VanKirk.

COMMUNICATIONS

. . . Secretary-Treasurer Kirkland presented the following communications to the convention:

WESTERN UNION
1975 Oct. 1 PM 1:27
GEORGE MEANY
President AFL-CIO
Hotel Hyatt Regency
San Francisco, Calif. 94101

Heartiest congratulations and fraternal greetings from the officers, administration and residents of our home former pioneers and veterans of the labor and trade movement under your leadership. Your deliberations can only prove successful and fruitful, good luck, good health and the strength to continue with your ideals.

The Workmen's Circle Home and Infirmary for the Aged.

Louis Silver Executive Director

WESTERN UNION
1975 Oct. 1 PM 2:27
GEORGE MEANY
President AFL-CIO
Hotel Hyatt Union Square
San Francisco, Calif.

On behalf of the members of the Amalgamated Transit Union, I wish to express our appreciation for your thoughtfulness in

assigning AFL-CIO Vice-President Matthew Guinan to appear in your behalf and to deliver your message before the ATU Convention delegates now in session in the city of Calgary. Alberta, Canada.

Your selection of Vice-President Guinan was a great choice, and most appreciated from our point of view. His remarks to the delegates were inspirational and though provoking, produced a standing ovation from the delegates.

We appreciated especially the message contained in your letter to me, which Brother Guinan read to the Convention.

We regret the circumstance wherein the Convention of the AFL-CIO and the Convention of the ATU were unavoidably scheduled for the same dates and in separate cities.

We regret to advise you that because of this unfortunate set of events our Delegation will be unable to attend the sessions of the AFL-CIO Convention now being held in San Francisco.

Please extend to the AFL-CIO Convention delegates our best wishes for a successful and productive Convention.

Fraternally

Dan V. Maroney
International President
Amalgamated Transit Union AFL-CIO CLC
In Convention
Four Seasons Hotel
Calgary, Alberta, Canada

. . . At 12:20 P.M., the Convention was recessed until 2:15 P.M.

SECOND DAY—FRIDAY AFTERNOON SESSION

October 3, 1975

The convention reconvened at 2:25 P.M.

PRESIDENT MEANY: Before proceeding with the afternoon's business, I would like to make a few comments on the good news that continues to come out of Washington.

The unemployment figures are out, and I'm sure that the Administration apologists will look upon them as good news, because the unemployment figures didn't get any worse in the month of September. It's now approximately 8.3 percent. It's been that way for the past three summer months which means practically eight million people unemployed. And I'm sure they will get some comfort out of the fact that the number of persons unemployed 15 weeks or more has not changed.

I don't think they say anything about the fact that the number of hard-core unemployed 27 weeks or more has continued to increase. There is now 1.6 million people who have been out of work for 27 or more continuous weeks. This is the highest level since 1941 or '42. And that indicates that we are still in very serious trouble.

The average period of joblessness is now the highest since '61, when President Kennedy launched a number of programs to reduce the hard-core unemployment built up during the previous administration.

Let me give you a few statistics. Unemployment among heads of households, the breadwinners who must supply the needs of a family, increased by 5.7 percent.

Unemployment among adult men increased to 7 percent.

Unemployment among black teenagers remained at a very modest figure of 37.2 percent.

Joblessness among construction workers was 19 percent.

Teenagers generally, 19.3 percent.

Factory workers unemployment, 10.6.

The number of jobs in the construction industry was 700,000 lower than early 1974.

The bottom-line figure in the report issued today by the government was that unemployment was 5.8 percent one year ago as against the 8.3 percent today. This seems to represent a deliberate policy on the part of the Administration. I get the idea that Arthur Burns still believes in the old 19th Century theory

that there is nothing that would aid productivity more than to have jobless workers outside the factory looking in.

This, of course, represents a feeling that there is some kind of an incentive to workers to produce more when they see people unemployed. However, the record over the years does not bear out this theory. Average hourly earnings have not increased and at a time when the economy needs expanding purchasing power, the buying power of hourly earnings has become stagnant.

Yesterday the government released some figures on the wholesale price index. The wholesale prices rose six-tenths of one percent in September. This would be an annual rate of wholesale prices of 7.2 percent increase. Now, farm products, however, jumped 4.3 percent, they made that contribution to the rise along with boosts in fresh vegetables and livestock. Processed foods are up also.

These sharp increases in the wholesale prices of basic farm products, processed foods and feeds are now in the pipeline and they will be reflected in the retail food prices in the coming months. And they generally reflect with sort of an add-on. I'm sure that our members and their wives will notice these hard cold facts within a very short time. But these are the facts that must be faced every day by the unemployed and by the consumer. These are the facts that this convention will have to keep in mind when it considers resolutions later on on the subject of the national economy.

One more item today from Washington. The President has vetoed the school lunch and child nutrition bill because he said it would cost too much. This is his 39th veto. This bill contains not only school lunch programs but funds for meals for the handicapped, chronically ill and for orphanages. Mr. Ford says the bill would raise the possibility of a larger budget deficit getting up around the 70 billion dollar mark. Now, the present program will continue under a continuing resolution, but for the time being they are in danger unless the Congress overides this veto. At least President Ford is consistent.

At this time I would like the Escort Committee to bring to the platform our speaker for this afternoon, United States Ambassador to the United Nations, the Honorable Daniel Patrick Moynihan.

. . . The Committee escorted the Honorable Daniel P. Moynihan, United States Ambassador to the United Nations, to the podium.

(Standing ovation.)

PRESIDENT MEANY: I am delighted to present the very distinguished Ambassador for the United States of America to the United Nations. Mr. Moynihan has had a long career in both pub-

lic and academic life. He has written extensively on social and economic problems. He has served as Assistant Secretary of Labor during the Johnson Administration. He was afterwards Ambassador for the United States to India, and now represents us in the halls of the United Nations.

It is a pleasure to present him to you at this time, the Honorable Daniel Patrick Moynihan.

(Standing ovation.)

DANIEL P. MOYNIHAN

United States Ambassador to the United Nations

President Meany and Secretary-Treasurer Kirkland: It is a ritual of these occasions for the speaker to declare that he is honored to be here, and there is no helping this, but it is even so a shame of sorts because it detracts attention from the fact that it really is an honor to address the free American labor movement, an honor any time, but an especial honor at this time when freedom is so much on the defensive, if not on the run, in so much of the world.

It is an honor for anyone, and for many I wouldn't doubt the fulfillment of an equally honorable ambition. I would certainly be in the former category, and more than certainly sensible to that fact, but not in the latter category, for it never seemed to me likely that I might one day be up here with the leaders of the movement. Maybe just possibly once in a while as a kid it occurred to me that I might sometimes be down there where you are, with the delegates, but if it did, it didn't do for long. This is not because I wasn't raised around unions, but really because I was. I was a member of the Steelworkers at 15, and the Laundry Workers at 16, went to work on the North River piers at 16.

But Mr. Gleason will take my meaning, I think, when I say that although those were union docks, I never got into the union because, in those days, that was a privilege reserved for married men.

(Laughter.)

What I mean is to say that I was brought up in a neighborhood where the names of the local union leaders—Marty Lazey, Johny Strong, you probably remember some of them—were at least as well known as the names of the local Democratic politicians, and that is saying something in a district that once boasted George Washington Plunkett, and it was still a fiefdom of the McMannis.

A boy could just imagine being elected to something in a union local some day. I don't know how much American kids any more have that experience, but most of you I expect did, and I did, and

you will know my meaning when I say it is something that stays with you.

Anyway, I got as far as the Government and Civic Employees Organizing Committee of the CIO before my string ran out, and I have had no grounds for complaint. To the contrary, I am one of those Americans who owes the American labor movement a good deal more than the slightly better wages I may have earned as a young man. I got from the labor movement an idea that a man ought to stand for something, and beyond that an idea of what some of those things ought to be.

In truth, Mr. Meany, I owe even more to the movement. As some of you may have read in one of Theodore H. White's great books on the making of the presidency that one president, as White puts it, wanted Daniel P. Moynihan of Harvard as his Secretary of Labor, but the leaders of labor vetoed the choice. Now, a man gets to be indebted for life after a favor like that. (Laughter) So I am here.

I was never important enough to speak to you before, and if I have my choice, which I assume I can do, I will never be important enough to speak to you again. And so I will say my piece with a certain easiness, in returning the honor you have done me. By showing respect for you I'll tell you what I think, whether I think you will like it or not, and I will tell you in my own words.

In his report to this convention, George Meany said, "This country is in trouble at home and abroad." He is right. And more than—since he didn't say it, I will—not only is he right, he is vindicated because the troubles we are in, as I see them, are the troubles George Meany's labor movement has seen coming for the whole of the quarter century that I have been in and out of public life. They are not just happening, they are happening in the way they said they were going to happen; and pretty much again as I would see it, for the reasons he has said they would happen.

What is it we have done wrong, or better put, maybe never got right? At home, one overriding, pervasive, dominating fact in the 30 post-war years of ever greater economic products and ever greater government activity we have nonetheless never achieved full employment. Indeed, at the end of 30 years we have never been further from it.

Now, if you want to, I suppose you could—you always do—blame the policies on the people of the moment. What worries me is that in these years there have been all manner of policies and all manner of people making them, and we never got to where we wanted to be. Indeed, we have been redefining where we want to be in terms that make the original goal we see even further.

In the immediate aftermath of the Employment Act of 1956, which was originally, of course, called the Full Employment Act, it was thought that three percent unemployment rate was an acceptable level. And given the rates of that time, it was surely a reasonable one. Then came the 1960's and the long period of economic doldrums following the Korean War.

In the early 1960's, President Kennedy's Council of Economic Advisers wished to set four percent as an acceptable goal. I was Assistant Secretary of Labor then and recall Willard Wirtz's struggle to get this declared an interim goal.

By the 1970's, official economists were setting six percent as the interim goal. And so it seems to go.

Since 1950, only when the United States was at war has the unemployment rate dropped below four percent. And only once, 22 years ago, did it drop below three percent.

In the years ahead, with the proportion of young workers in the labor force steadily rising, it will be harder to deal with than the recent past, and there is no prospect of our really doing better.

In truth, we are likely on form to do worse simply because we have not yet—we have not been laying down the foundation for economic growth.

In the 1960 presidential campaign, John F. Kennedy said he was not satisfied with the lowest growth rate among all industrial nations. To change this rate was a central theme of his campaign, and he won his election, but the situation did not really improve.

The rates of growth proved indifferent even to the stimulus of a war time economy. For the period 1965 to '72, for example, we had a GNP growth rate of 3.2 percent. In the same period Japan grew at four times that rate. For the period 1950 to '72, real GNP employed per citizen grew in the United States at the lowest rate of any industrial nation, any western industrial nation.

Investment rates have to be part of the problem. In 1950 our investment rate was lower than any nation save Britain in the west, and in time we were outstripped even by them. In President Kennedy's first year, for example, the American investment rate dropped to 13.8 percent of GNP and that of Japan rose 40.5 percent. For a while we made up for low investment by high productivity, the genius of American management and American workers. But in time we fell behind even there.

An event of symbolic and substantive significance, in the course of the 1960's output per man hour in the iron and steel industry of Japan outstripped that of the United States. And in

the period 1966 to '73, as if to get ready for the energy crisis, output per man hour in coal mining actually went down.

Unemployment is the disease of capitalism. We have not eliminated it. Indeed, it has been growing like an epidemic-like fever in a swampland. It has weakened the society, and the society, experimenting with first one cure and then another, has weakened itself. In the main we have responded to the weakness in the private sector of the economy by expanding the public sector—Now, past a third of GNP and heading for half. But too rarely have the results seemed what we expected, and too frequently what we did not expect took place. More and more America shows the symptoms of what Walter Lippman once called the sickness of an over-governed society, while less and less do we seem confident about what to do next.

This crisis of confidence is evident, wouldn't you say, in the present plight of New York City, the capitol of the country in most respects, certainly the most important of our cities, and the one where a sickness of over-government brought on by a sickness of underemployment is most in evidence. And no one wants to do anything about it because no one is confident that what would be done would make things any better.

The situation is like the Sherlock Holmes Story in which the dog didn't bark and that was the clue. It was what did not happen that seems to me to matter in New York. It is what the state legislature is not doing, and the Congress is not doing, and the governor is not doing, and the President is not doing, which is the real clue here. We no longer think we know what to do. There has been a change of mind on that point.

Abroad our situation is not better. In his statement yesterday George Meany said that the nation has never suffered more foreign policy defeats that it has in the last year. If what he means is never recently—because I think we would agree when the British burned Washington that was a bit of a setback, and there have been others, actually. If he means never recently, then I think most of us would agree.

But here again there is a crisis of confidence, for many Americans would not at all agree with the list of events which President Meany regards as defeats. Some would see them indeed as victories, some as standoffs, some as openings rather than concluding events. Seeing that I agree with George Meany on far more of the items on his list than otherwise, let me say here that I would not agree on all of them. I don't think it is the case that the conclusion of the Conference on Security and Cooperation in Europe at Helsinki was a defeat in the terms that President Ford spelled out to that conference and the terms in which Secretary Kissinger carried out those negotiations. The conference was

something that had to come, and came as much on our terms as the realities of power allowed.

But having said that, let me say that it is these realities that assail us. And to suppose otherwise is to court self-deception, and even worse, setbacks. The realities of power are in the first place economic. The industrial world, the United States included, is in the midst of the worst recession since the 1930's. This time, however, we suffer not only from internal disorders but from external attack. The oil producing nations of the world have brought about, without retaliation or redress, have brought about an increase in the price of energy that has jolted the most advanced economies of the world and proven devastating to the least advanced. Yes, as I think, it is a sign of strength that such measures can occur without retaliation when America and its allies speak about respecting the territorial integrity and independence of other countries, we mean it.

It is no less a sign of weakness that such measures can have such effects. The rest of the world cannot but notice nor fail, I fear, to gloat. For this is the second reality of power that assails us—the reality, as George Meany said yesterday, that democracy has come under increasing attack. It is hard, I suppose, for us to understand this. It may be too easy to ascribe it to the wrongdoings of democracy, to the mistakes that we have made that have brought on inevitable or justified, even admirable, retaliation. Again there is this crisis of confidence, the trouble we have in trusting ourselves.

But let me say that we distrust ourselves to our peril, for democracy is under increasing attack. The west is under increasing attack, and increasingly the attack succeeds or seems to succeed. I see it every day at the United Nations. Every day on every side we are assailed. There are those of this country whose pleasure it is, or profit it is, to believe that our assailants are motivated by what is wrong with us, but they are wrong. We are assailed because of what is right about us. We are assailed because we are a democracy.

(Applause.)

Now a quarter of a century ago the future looked good for democracies in the world, at least for most parts of the world. The old democracies of Europe were reviving. The old autocracies such as Japan seemed to be following the evolution that had given way to democracy in western Europe, and would have done it in eastern Europe had not the Bolsheviks succeeded and seized power. One by one the colonies of Africa and Asia were becoming independent, and one by one they were establishing democratic regimes. All of this has changed. One by one the new democracies have disappeared, and even some of the old ones.

President Meany included India in his list of recent disasters in American foreign relations, and again he was right to do so, not that events there are the result of anything America did, but simply because of what those events do to America. When half the people in the world with democratic rights lose those rights, lose them in a sequence of government repression that begin typically with the breaking of a strike and the imprisonment of trade union leaders, then the American democracy suffers, too.

It is too soon to write off India, but hardly too soon to talk and to take note about what is happening there, there and elsewhere.

In the United Nations today there are in the range of two dozen democracies, two dozen democracies left in 142 members, and the number is rising all the time. Totalitarian and Communistic regimes and assorted ancient and modern despotisms make up all of the rest. Nothing so unites these nations as the conviction that their success ultimately depends on our failure.

It is no accident that on Wednesday, if I may use his United Nations title, His Excellency, Field Marshal Al Hoji Idi Amin Dada, President of the Republic of Uganda called, and I quote, for the extinction of Israel as a state, and it is no accident, I fear, that this racist murderer, as one of our leading newspapers called him this morning, is the head of the organization of African unity, for Israel is a democracy and it is simply the fact that despotisms will seek whatever opportunities come to hand to destroy that which threatens them most, which is democracy.

(Applause.)

At this very moment, for example, in New York our counsel to our delegation, Leonard Garment, is fighting back the latest such move, a resolution now before the Third Committee, which equates Zionism with racism calling for the eradication of both. I put it to you that this is an outrage that is likely as not to be voted on, voted for, by a majority of the members of the United Nations. I hope and trust that members of the organization of African unity will disallow Amin and all he stands for. Certainly it was the African meeting in Compala which broke the gathering force of the movement to suspend Israel from the General Assembly. Just Wednesday that issue was quietly put to rest, but then hours later Amin has commenced yet a new campaign and he is yet to be disavowed. There will be more campaigns. They will not abate for it is sensed in the world that democracy is in trouble. There is blood in the water and the sharks grow frenzied. They commence, of course, to consume one another. And the chaos mounts.

Let me offer you a statistic. There are 142 members in the United Nations. We calculated last evening for the benefit of this occasion, each of us given to statistics, just what was the length of time in which the typical member of the U.N. had enjoyed a relatively stable government without violent overthrow or usurpation including revolution. We put ourselves down as 199 years; Belgium for 144; France for 127; Australia for 74. What did the median number of years come out to be? Eleven years. Eleven years for the median U.N. member since the last overthrow of government by force. And this in a world where technologists in the field of nuclear energy measure the length of time required for the storage of wastes in what they have come to term geological time, 5,000 years, 30,000 years. Eleven years, the average life of a legitimate government.

These are the issues we are dealing with. These are the governments we are dealing with, most of which cannot survive even 11 years.

A year ago I was far more optimistic about all of this than even today. It seemed to me then that many of the new countries of the world had inherited, mostly from Western Europe, a decent and honorable tradition of democratic socialism which, if it had a certain anti-American bias, nonetheless was a tradition we could work with and respect. A year later I'm not at all sure about that, such has been the success of Communist arms, Communist intrigue, Communist trickery in Asia and Africa that the reputation of democracy in those regions has all but collapsed.

Certainly it has done so in the place where I work.

There is much that the United Nations has done in its 30 years that is honorable and good, but it has damned, also, democracy. All the talk of freedom gets frighteningly close to the Orwellian inversion, war is peace, slavery is liberty, injustice is justice. What the UN has done is simply to extend the nation's fate to farthest reaches of th inhabited world. Now, that was going to happen, I assume, and the UN is hardly to blame that it happened under its auspices. But let there be no illusion. Most of the new states and most of the old ones have ended up enemies of freedom as we would know it, as we have inherited it, and as we have tried to preserve it.

Now, what is to be done, as someone once said?

It seems to me obvious enough, it is to get for ourselves the agenda which the American labor movement has got at home and abroad, and not least to see the connection between those two things.

Let me speak of the issues in what is now my field, that of foreign affairs, and especially that aspect of foreign affairs

which tends to legitimate or delegitimate democratic processes, practices and private institutions.

If we have fallen back, it can be said we have also shortened our lines, and if we have taken more than a little punishment, it may be that it has served to wake us up to what is going on in the world is a systematic effort to create a society in which government is the only legitimate institution. The old dream of an international order in which one single nation dominated is being replaced by a not different vision of the domination of a single idea, the idea of the all-encompassing state, a state which has no provision for the liberties of individuals, much less for the liberties of collections of individuals such as trade unions represent.

And think we are in a position to respond to this. For example, everyone has been talking about the new international economic order. The United States has already indicated in Secretary Kissinger's address on September 1 at the General Assembly that we stand ready to participate in the creation of a world in which starvation would be eliminated, in which everyone would be assured a basic minimum of economic sustenance. We made those undertakings at the Seventh Special Session of the General Assembly, and we got a certain measure of agreement.

Two things have to be clear, however. First, the United States did not undertake to do this because we accept responsibility for the economic condition of the third and fourth worlds. We repudiate the charge that we have exploited or plundered other countries or that our own prosperity has ever rested on any such relation. We are prosperous because we are, or were, an energetic and productive people who have lived under a system which has encouraged the development of our productive capacities and energies. We also consider that we have been reasonably helpful and generous in our economic dealings with other countries.

We do not then, wish to contribute toward the creation of a new international order out of guilt or as a matter of reparations. We are not plea bargaining. The idea of reparation implied a debt incurred because of past wrongs. The United States acknowledges no such debt. (Applause)

What we acknowledge is a common humanity and a common concern, but arising out of our own sense of what it is we can and ought to do.

Nor do we wish to participate in the creation of a new world order out of fear. We do not believe that the countries of the third and fourth world have the power to damage, let alone destroy, the United States. OPEC to the contrary, poor power is a romantic illusion.

Not guilt, then, and not fear. We are moved as a matter of free choice and out of a growing willingness in our culture to broaden

the boundaries of feeling beyond those which define the territory of one single country. We elect to act because the plight of people in other countries increasingly presses itself upon us, and we wish to take whatever effective measures we can to alleviate suffering that can be alleviated, to eliminate such causes of suffering as can be eliminated.

But it is important to stress—it is as important as anything, it seems to me, as anything that can be—that this willingness of ours has as its object the fate of individuals. Ours is a culture based on the primacy of the individual, the rights of the individual, the welfare of the individual, the claims of the individual against those of the state.

We have no wish, therefore, to participate in any economic arrangements, new or old, whose beneficiaries will be the State rather than the individual, leaders rather than the individual, politicians and bureaucrats rather than the individual. If there is to be an increased flow of wealth to the countries of the south, the United States must insist that it be channeled into the pockets not of individuals and not into Swiss bank accounts, and we will insist the necessary precautions be taken in that respect.

(Applause.)

The United States, it seems to me, also must insist on one other point: We will insist on broadening the definition of welfare to include not only the economic condition of the individual, but his political condition as well. (Applause) There is no country so poor that it cannot afford free speech. (Applause)

If there is to be a new international order, the United States must insist that the right to a minimum standard of political and civil liberty is no less fundamental than the right to a minimum standard of material welfare. (Applause)

President Ford confirmed our commitment to universal human rights in Helsinki, and we affirm it here.

Now, the new nations, when you say things like that, tend to respond and, understandingly, in some cases, we talk about individual rights, but they care about economic rights. There is, or so it seems to me, one indisputable, valid response to this point. It is for the United States government to put the utmost emphasis in multi-lateral relations and in bi-lateral relations in the world on the single most important area where individual rights and economic rights can be seen to merge to compliment one another, to reinforce one another, and that is the area of trade union rights. (Applause)

Trade union rights and trade union responsibilities, things we know about, things we believe in, rights that are here for any observer to see, rights to be seen in at least half the world or maybe more. One of the lessons of the 20th Century, it seems to

me, is that democratic trade unions can be a lot tougher than democratic governments. They survive when almost everything else disappears. I think we have as our guests at this convention some of those survivors, and we are proud to have them. They will survive even better if they know we know they are there.

Now, the American labor movement has done its share of upholding the standard. The American government can do no less. There is, it seems to me, no question of the way we have to go. The way we go will be with different people at different times. The trouble with us is we come and go. Since 1946 there have been 13 United States representatives to the United Nations. By the time you meet again in constitutional convention, there probably will be a 14th. By comparison, since 1886 there have only been three heads of the AFL and AFL-CIO if you leave aside poor old McBride, who only got in for one year.

The very stability of this moment, its strength, its confidence, its understanding of what has gone on not for the last eleven years but for the last 111 years is a fundamental resource of the American democracy at a moment when it needs all the help and resources it can get. I think you know this. I think you know that I feel it, and there is no need to expand on it.

Samuel Gompers started it off, so let me end with him. In Paris in 1919, when he headed the Commission at the Peace Conference which drew up the Charter of the International Labor Organization, he spoke one evening to a group of officials and dignitaries outlining the plans for the new organization. He could sense the fear he was arousing: New ideas, new men, new methods, above all, new freedoms.

Suddenly he interrupted his talk. He paused a moment, he looked at his audience and he pronounced one of the purest, most moving sentences in the literature of American democracy. "You do not know," he said, "how safe a thing freedom is."

Why is it safe? I will answer in part: it is because men and women such as you and leaders such as George Meany guard it so.

Thank you.

(Standing ovation.)

PRESIDENT MEANY: Thank you very much, Mr. Moynihan for that very profound and moving address in which you outline the dangers that threaten individual human freedom today. I'm sure everyone here appreciates your coming and appreciates the remarks you have made to us. Thank you very much.

(Applause.)

The Chair now recognizes Vice President Glenn F. Watts of the Communication Workers who wants to make an announcement and a presentation.

PRESENTATION TO PRESIDENT MEANY

VICE PRESIDENT GLENN E. WATTS: President Meany and fellow delegates: Of all the symbols of the American Revolution, none is more universally loved and respected than the Liberty Bell, which remains at Independence Hall in Philadelphia, Pennsylvania. Installed in the State House of that Province in 1753, the huge bell had been cast on a special order from the Americans in London's famous White Chapel Bell Foundry.

"Let the bell be cast by the best workmen," the Colonial order read, "with the following words: 'Well shapen in large letter rounded, proclaim liberty throughout all the land, unto all the inhabitants thereof. Leviticus XXV, Chapter 10.' "

It was this bell that the Colonials rang for the first time on August 27, 1753, more than 20 years before the outbreak of the War of Independence, to announce a spirited resolution by the Pennsylvania Assembly which said: "To make and continue the issue of province money, notwithstanding the order to the contrary of the Lords Justice of the Crown."

It rang again when the first Congress of the Colonies was called, and it was muffled and tolled when news was received of passage of the hated Stamp Act.

Most important of all, it was rung peal after peal when the Declaration of Independence was proclaimed some 200 years ago, making a turning point in history of such immense significance that we are celebrating it throughout these Bicentennial Years.

In honor of that event, and as a kick-off in the year-long activities of the American labor movement to take note of our heritage of freedom, the Communication Workers of America this date present this Bicentennial Liberty Bell to George Meany, President of the American Federation of Labor and Congress of Industrial Organizations.

This bell was specially commissioned by CWA from the same White Chapel Foundry in London that cast the original Liberty Bell, and on the exact scale of one-fifth of the original and was cast on the same site.

May it continue, Mr. President, forever to proclaim liberty throughout all the land, a land made fully responsive to all of the needs of all of its citizens. And on behalf of the Communications Workers of America, it gives me great pleasure to not only present it to you, but unveil it and give it a good round ring.

(Rang the Liberty Bell.)

(Applause.)

PRESIDENT MEANY: Well, I want to express my appreciation to Brother Watts on behalf of the AFL-CIO. This beautiful

little bell will be on display in the lobby of our building in Washington as soon as we can get it back there, because in spite of all our troubles, there is one thing that we completely agree upon and that is that the United States of America, for the past 200 years, has been in the forefront for the fight for human freedom. And frankly, that one word "Freedom" clearly represents what the AFL-CIO is all about. Thank you very much.

(Applause.)

The Chair recognizes the Chairman of the Committee on Resolutions for a continuation of their report.

REPORT OF RESOLUTIONS COMMITTEE (Resumed)

... Subcommittee Secretary Finley presented the following resolutions:

TAX JUSTICE
Resolution No. 95
(Book 1, Page 110)

This resolution covers Resolutions Nos. 112 and 43.

This resolution calls for the enactment of a comprehensive program of tax justice and spells out the major loopholes in the tax structure which could raise as much as $20 billion in badly needed federal revenue. Such a program would put an end to special privileges which rig the tax structure against wage earners; help the nation recover from the economic crisis; rebuild public confidence and help enable the federal government to raise the revenue necessary to meet the nation's needs.

The resolution spells out a loophole-closing program which includes elimination of the preferential half-tax which applies to income from capital gains; an end to the tax subsidies for the overseas operations of the U.S.-based multinational corporations including the foreign tax credit provision, the tax deferral privilege and the Domestic International Sales Corporation gimmick.

The resolution also calls for an effective and equitable federal estate and gift tax structure.

The resolution dismisses the notion that a severe capital shortage is developing and urges rejection of tax measures to reduce personal consumption and increase funds available for business investment in plants and machines. The resolution states that such shotgun proposals merely represent another contrived rationale for a return to the discredited trickle-down economics of the 1890s and 1920s. Across-the-board "tax incentives" for business investment are therefore rejected and the resolution states that specific programs to meet the demonstrated needs of particular industries should be adopted only after careful examination.

The Committee recommends the following amendments:

In the second sentence of the first paragraph, delete the phrase "$20 billion or more" and substitute the phrase "as much as $20 billion."

The sentence would then read:

"Closing major loopholes in the tax structure could raise as much as $20 billion in badly-needed federal revenue . . ."

Delete the last sentence on page 12 and substitute the following:

"Th AFL-CIO has demonstrated its willingness to support specific tax incentives for a particular industry where there was a documented demonstration of need. But, we insist there be no across-the-board actions enacted. Any such proposals must be subjected to careful examination and adopted only where the need of that industry has been fully proved."

The Committee recommends adoption of Resolution No. 95 as amended and I so move.

. . . The recommendation of the Committee was unanimously adopted.

. . . Vice President Frederick O'Neal assumed the Chair.

. . . Subcommittee Secretary Finley presented the following resolutions:

MANPOWER

Resolution No. 97

(Book 1, Page 114)

This resolution covers Resolution No. 24.

This resolution calls for an expanded public service employment program with at least one million jobs. It insists on protection of regular state and local government workers and on maintenance of adequate wages and working conditions in all manpower programs. The resolution calls for support for labor-union-sponsored programs such as the AFL-CIO's Human Resources Development Institute, Apprenticeship Outreach, and on-the-job training. And the resolution calls for continuing labor representation and labor participation in manpower planning at the state and local level.

The Committee recommends the following amendment:

Delete the first full sentence on page 116, and substitute the following:

"In any such consolidation or reorganization, the job rights, employment conditions and other benefits of affected workers must be protected."

The Committee recommends adoption of Resolution No. 97 as amended, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

CONSUMER PROTECTION

Resolution No. 98

(Book 1, Page 116)

This resolution covers Resolution No. 17.

This resolution calls for action by Congress on consumer protection legislation, including an Agency for Consumer Advocacy, an investigation of the insurance industry, no-fault auto insurance, improved inspection of fish and food processing, stronger safety requirements for drugs and cosmetics and medical devices, repeal of so-called "fair trade" laws, require price marking on consumer goods sold in retail stores, and various other consumer protection actions.

The Committee recommends the following amendment.

On page 117, at the end of the fourth paragraph under item 3, add the phrase, "and must be opposed."

The Committee recommends adoption of Resolution No. 98 as amended and I so move.

. . . The recommendation of the Committee was unanimously adopted.

ENERGY

Resolution No. 99

(Book 1, Page 118)

This resolution underscores the fact that so long as the United States is dependent on the importation of oil shipped in foreign vessels from insecure sources, the energy crisis will haunt this country.

The first steps taken must be to eliminate that dependence through taking the importation of oil out of private hands; enacting a quota on oil imports; establishing a fair and equitable system of allocation and rationing, and making it clear that this nation will strike back with economic measures against any nation contemplating an embargo. A detailed program is spelled out to conserve energy; increase supplies and speed conversion to substitute fuels. Other measures such as the establishment of petroleum stock piles and the termination of U.S. government subsidies to oil companies operating abroad are also called for.

Mr. Chairman, the Committee, in considering this resolution, has taken note of the fact that on September 22 of this year the

President announced that he would propose to Congress the enactment of legislation to establish an Energy Independence Authority with the power to take financial action—to develop energy projects needed for America's energy independence.

The AFL-CIO has long advocated allocation of credit and direct loans for high-priority social and economic activities, including energy projects. We have also advocated multi-billion dollar crash programs to launch America on the way to energy independence.

As the specifics of the President's program are developed, we will evaluate those proposals and respond in accordance with the principles set forth in the overall energy policy of the AFL-CIO.

The Committee recommends adoption of Resolution No. 99, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

HOUSING

Resolution No. 118

(Book 1, Page 141)

This resolution calls for an emergency 6 percent mortgage home financing program, action on new conventional public housing and urban homeownership assistance, and long-term financing for senior citizens housing. The resolution also calls for selective credit regulation and for full funding of the Community Development Block Grant Program.

The following additional paragraphs should be inserted after the first paragraph on page 142:

The AFL-CIO strongly supports mortgage loan disclosure legislation to combat redlining. The practice of redlining to deny credit for home purchases in designated neighborhoods deprives moderate-income families of the opportunity to acquire homes they can afford. It also generates a self-fulfilling prophecy of the decline of neighborhoods that are affected by redlining.

To help meet the housing needs of its members, the AFL-CIO should expand its technical information and experience exchange services and assist interested affiliated unions and State and local central bodies in working with employers, local communities and developers to provide affordable homes and rental housing in locations near employment. This could be accomplished through educational publications and conferences dealing with government housing programs.

The Committee recommends adoption of Resolution No. 118 as amended, and I so move.

... The recommendation of the Committee was unanimously adopted.

HUMAN RESOURCES DEVELOPMENT INSTITUTE

Resolution No. 119

(Book 1, Page 142)

This resolution calls for continued action by HRDI to work with state and local central bodies on job development and placement for out-of-work union members and for disadvantaged, unemployed workers. HRDI will continue its efforts to protect union workers from layoffs or violation of collective bargaining agreements as a result of public service employment programs.

The Committee recommends adoption of Resolution No. 119, and I so move.

... The recommendation of the Committee was unanimously adopted.

ANTI-POVERTY PROGRAM

Resolution No. 120

(Book 1, Page 143)

This resolution calls for a continued national commitment to eliminating poverty. The resolution calls for a central anti-poverty advocate within the Executive Branch of the federal government to be a focal point for dealing with problems of poverty.

The Committee recommends adoption of Resolution No. 120, and I so move.

... The recommendation of the Committee was unanimously adopted.

SAFETY AND OCCUPATIONAL HEALTH

Resolution No. 124

(Book 1, Page 148)

This resolution states that it is time for the federal government to live up to the promise in the Occupational Safety and Health Act of a safe and healthy workplace. It calls for an end to the delays and underfunding and urges specific actions on the Congress and the Administration to carry out the policy goals set forth in the law. Among the actions called for are increased financial support and compliance manpower; extended coverage of the Act and continued Congressional oversight.

The Committee recommends the following amendments:

On page 149, following item [illegible]:

"8. Press for the passage of a single mine safety law which would cover all miners currently under the jurisdiction of the Coal Mine Safety Act and the Metallic and Non-metallic Mine Safety Act; transfer responsibility from the Interior Department to a separate safety division in the Department of Labor; and give all miners at least the same rights as workers in general industry.

"9. Stimulate more and broader programs of education for workers and management."

The Committee recommends adoption of Resolution No. 124, as amended and I so move.

. . . The recommendaton of the Committee was unanimously adopted.

TAX REFORM

Resolution No. 12

(Book 1, Page 19)

The substance of this resolution is covered by Resolution No. 95 and no further action is necessary.

CONSUMER LEGISLATION

Resolution No. 17

(Book 1, Page 24)

The substance of this resolution is covered by Resolution No. 98, and no further action is necessary.

LEGISLATION

Resolution No. 24

(Book 1, Page 32)

The substance of this resolution is covered by Resolution Nos. 94 and 97 and no further action is necessary.

FEDERAL TAX REFORM

Resolution No. 43

(Book 1, Page 52)

The substance of this resolution is covered by Resolution No. 95, and no further action is necessary.

FULL EMPLOYMENT

Resolution No. 49

(Book 1, Page 64)

The substance of this resolution is covered by Resolution No. 94, and no further action is necessary.

FULL EMPLOYMENT

Resolution No. 57

(Book 1, Page 73)

The substance of this resolution is covered by Resolution No. 94, and therefore no further action is necessary.

AUDITING THE FEDERAL RESERVE

Resolution No. 86

(Book 1, Page 100)

The substance of this resolution is covered by Resolution No. 6 and No. 94, and no further action is necessary.

SUBCOMMITTEE SECRETARY FINLEY: Mr. Chairman, this covers the partial report of Subcommittee No. 2 of the Committee on Resolutions.

. . . President Meany resumed the Chair.

PRESIDENT MEANY: Thank you, Brother Finley.

The Chair recognizes Fred in his capacity as Chairman of the Credentials Committee.

SUPPLEMENTAL REPORT
COMMITTEE ON CREDENTIALS

COMMITTEE CHAIRMAN O'NEAL: Mr. President and fellow delegates:

Your Credentials Committee have examined additional credentials and recommend that nine (9) additional delegates be seated and four (4) substitutions be posted in the official records.

Also, the American Flint Glass Workers Union, the American Federation of Government Employees and the American Federation of Grain Millers were omitted from Thursday morning's proceedings and the names are being included in this report.

Glass Workers Union, American Flint—George M. Parker, Ivan T. Uncapher, John Gettys, David Pierson, Wm. J. Edwards —35,055 votes.

Government Employees, American Federation of—Clyde M. Webber, Dennis Garrison, Nicholas Nolan, Kenneth Blaylock, Allen Kaplan, Tom Swain, Kermit Tull—255,278 votes.

Grain Millers, American Federation of—Roy O. Wellborn, Harold P. Tevis, Frank R. Hoese, Joe Rajcevich—29,190 votes.

Add—North Carolina State, AFL-CIO — Wilbur Hobby—1 vote.

Add—Oregon AFL-CIO—Dean Killion—1 vote.

Add—Allen County, Ind.—Melvin H. Borcherding—1 vote.

Add—Five Counties Central, Calif.—Henry E. Anderson—1 vote.

Add—Huntington District Council, W. Va.—Richard Wilkes—1 vote.

Add—Huron Valley, Mich.—Fred Veigel—1 vote.

Add—Monterey County, Calif.—Bob E. Russell—1 vote.

Add—San Juan, Puerto Rico—Rueben Calderon—1 vote.

Add—Rochester, N.Y.—Rudolph Miller—1 vote.

Substitution:

Int'l Ladies Garment Workers—Monin Rivera replacing Vera Corona.

National Maritime Union of Amer.—James L. McKinley replacing Rick Miller.

Tiffin Central, Ohio Richard Fisher replacing Neal Moes.

DALU #24111, Milwaukee, Wis. Robt. Bucholz replacing Ray W. Taylor.

SUBCOMMITTEE SECRETARY FINLEY: Mr. President, I move the adoption of the Supplemental Report.

. . . The recommendation of the Committee was unanimously adopted.

PRESIDENT MEANY: At this time, I would like to present the second fraternal delegate from Great Britain, a member of the National Union of Mineworkers, who has served in overseas capacity and as a delegate from the union to the TUC.

I am delighted to present to you Brother Martin Redmond, representing the British TUC. Brother Redmond.

(Applause.)

MARTIN REDMOND

National Union of Mineworkers of Britain

Mr. President, Sir, distinguished visitors, and Brother Delegates:

I regard it as a great privilege to be elected by the British T.U.C. as one of its two delegates to this Convention. On behalf of over ten million British trade unionists affiliated with the T.U.C., I bring fraternal greetings and good wishes to the delegates at this Convention of the AFL-CIO and through them to the millions of American trade unionists, who like their brothers and sisters in my country, are struggling to defend and advance their living standards and win a better life.

As you will no doubt have learned from Dan McGarvey, the 107th meeting of our Congress has recently concluded. At it, we had many difficult problems to face and equally many difficult decisions to make. For our economy, like yours and many others in Western Europe and in other parts of the world, is racked by crisis, the effects of which are always heaviest on the working class and their families. Industrial production is down, as is public consumption; the social services are being subjected to savage cuts; unemployment, according to official figures, is over 1¼ million, but it is probably higher because many people do not register as unemployed; there is chronic under-investment in industry, a virtual strike of capital, while much needed capital is invested abroad, some of it in your country; there is monetary instability that undermines trade and increases our balance of trade deficit whilst price inflation is the highest of any industrialized country, undermining the value of the wage packet almost every week. I should make it clear to you that Mrs. Margaret Thatcher, the Tory Leader, who has been touring your country, not only does not speak for the people of Britain, but as a leading member of the previous Tory Government, bears a major responsibility for the situation we face in our country, and we totally reject the so-called solutions she advances, because they will make the situation worse and impose even harsher burdens on our people. One wonders if the purpose of her visit, and cavorting with big business interest, she is not seeking their endorsement for her policies.

Increasingly we see that the solution of the deep and serious problems requires our movement to actively pursue policies that challenge the power of the monopolists and financiers, and give to the workers—the real producers of the nation's wealth — greater say and power to determine the course of events in our country, a view that is reflected in many of the resolutions adopted at our Congress.

Like many of our American brothers, we have come to under-

stand from bitter experience, the role and power of the giant monopolies and multi-national companies that dominate almost every facet of economic, political and social life. They straddle national frontiers, bending Governments to their will. They pose the most serious threat to the democratic rights and liberties which have been won through years of prolonged and bitter struggle by our movement. There cannot be a full flowering of individual or corporate freedom whilst their activties, often protected and buttressed by the state, are allowed to continue unchecked and unchallenged. Their international activities and the power they wield are concerned to maximize profit, and they represent a constant threat to world peace. They threaten the national independence of nations, especially small ones, and newly developing states in the third world. As history now records, monopoly interest engineered the violent overthrow of the democratically elected Government of Popular Unity in Chile, and paved the way for a fascist dictatorship.

We also know from experience the way the monopolies engineer financial crises by switching capital and production from one country to another, and by means of their control over international finance, to put pressure on Governments such as our Labour Government to force it to abandon some of the program it was elected to carry out. There is little doubt that these same forces are responsible for the problems facing American workers today. That is why our movement has in recent years adopted policies and forms of action aimed at curbing the power of the monopolies, whether they be home-grown or foreign, and on the initiative of the T.U.C. and some of the major trade unions in our country, steps have been taken to develop international trade union unity, and contacts to bring about united action to protect the interests of the workers under attack from the muli-nationals. International conferences of mineworkers, car workers, metal workers and others, have proved their value especially in combatting the activities of these companies which dominate the E.E.C. We record with pleasure and satisfaction that on the initiative of our T.U.C., the European T.U.C. has been formed on a non-sectarian, non-ideological basis, and embraces all the trade union centers from both Socialist and Capitalist states in Europe. This is a step of historic importance in overcoming the divisions created by the cold war, and opening up the way for genuine trade union co-operation in all the spheres of activity and interest concerning our movement.

I go further, and say that the adoption of a resolution by the T.U.C. aimed at bringing the I.C.F.T.U. and W.F.T.U. closer together and co-operating in various ways, and, we hope, leading to a position where we have a single international trade union organization that not only corresponds to the interests of all trade unionists, but is becoming an urgent necessity. Further-

more, such a step is a powerful fillip to the process of detente—a process to which very wide sections of world opinion subscribe.

This leads me to comment on what is probably the most important question facing mankind, namely the preservation and consolidation of Peace. There is no contradiction between fighting for better social conditions, full employment and higher wages, and fighting to ease the tensions between the rival social systems which today are expressed in the build up of armaments. They are, in fact, interdependent, because we cannot satisfy our social needs and at the same time commit so much wealth in money, labor, and material resources, to the stockpiling of the most hideous forms of mass destruction even conceived by man. The economic crisis affecting so many advanced states is proof of this contention. It is known that there is enough nuclear weapons stock-piled capable of destroying the world's population many times over, and coming from a small, heavily populated island, I must confess to a certain amount of self-interest, in that we are extremely vulnerable, and not at all prepared to be somebody's "unsinkable aircraft carrier." We refuse to subscribe to policies, such as those advanced by your delegate to our Congress, which in effect mean stoking up the cold war, heightening international tensions, and maintaining the arms race. This is a policy of disaster. It seeks to undermine every positive step taken through the U.N. General Assembly, through the recent All-European Conference of Heads of State in Helsinki and many bilateral agreements entered into by your President with other states, all moving in the direction of consolidating Peace. How opposing the process of detente helps to preserve freedom, when it in fact creates conditions that can lead to war, in which all freedom is destroyed, is never made clear by those who refuse to recognize the changes that are taking place in the world. For it is only through the process of detente that national independence and sovereignty, democracy and freedom, can be preserved and advanced. As we all know, these are the things first attacked in the interests of the arms race. We contend that it is possible and necessary for all people to live in peace and be free to decide their form of government and social system themselves, free from outside interference. Detente offers that possibility, and we, as trade unionists and workers, have a vested interest in putting the full weight of our organizations behind it to make it successful. For it is no accident that the monopolies which are putting us out of work are the same forces that are sabotaging the efforts to secure world peace. It is they who are the enemy, not the workers and trade unionists, of the socialist and newly developing countries.

I hope therefore, Mr. President, Sir, in thanking you for your indulgence, that the great trade union movement of America will recognize the need to row with the tide of historical develop-

ment in the world today, and not be side-tracked by false arguments into rowing against it and against its own best interests.

Mr. President, sir, I would like to thank you and the wonderful people who I have met while at this convention for the wonderful hospitality I have received. And I also, sir, think it's a great privilege and honor to have met you.

Thank you.

(Appaluse.)

ESCORT COMMITTEES

. . . President Meany read the following Escort Committee appointments:

The Escort Committee for the Honorable Senator Jackson: Vice Presidents Keenan, Smith and Abel.

The Escort Committee for the Honorable Senator Lloyd Bentsen: Vice Presidents Chesser and Minton.

The Escort Committee for the Honorable Senator Hubert Humphrey: Vice Presidents Dennis, Gleason and Hardy.

The Escort Committee for the Honorable Senator Birch Bayh: Vice Presidents Watts, Housewright and Hall.

. . . President Meany announced the meeting time and place of the Executive Council Meeting following the afternoon adjournment.

INTRODUCTION OF FOREIGN VISITORS

. . . President Meany introduced the following foreign visitors:

Nigeria

Alaba Kalejaiye, Secretary General, Nigerian Civil Service Union.

Joseph Aladapo Oladimeji, Council Manager, Osogbo Local Government Council.

Japan

Seiji Amaike, President, Japanese Confederation of Labor.

Iwao Fujiwara, Secretary General, Japan Metal Industries' Worker's Union.

Renzo Yanagisawa, President, National Federation of Shipbuilders and Machine Workers Union.

Korea

Bang Soon-Jo, President, Fktu Textile Workers' Union, Federation of Korean Trade Unions.

Choi Ik-Ok, Assistant Director-International Affairs, Federation of Korean Trade Unions.

Turkey

Sanar Taysi, Director, Research and International Affairs Department, TURK-IS.

Kemal Ozer, Vice President, TURK-IS.

Omer Ergun, Treasurer, TURK-IS.

Cyprus

Necati Tashkin, President, TURK-SEN.

Italy

Flavio Orlandi, Member, Chamber of Deputies.

Roberto Romei, Secretary General, CISL Trade Union.

Sierra Leone

Goodman King, President, Sierra Leone Labor Congress.

Lesotho

S. M. Jonathan, Secretary General, Lesotho Council of Workers.

Zambia

Reuben S. Muchimba, Editor, "Workers Voice" Zambia Congress of Trade Unions.

Uruguay

Wilfredo Paiva, Secretary General, Association of Power Plant and Transmission Line Employees.

Paraguay

Cesar T. Caceres, President, Federation of Educators of Paraguay.

Senegal

Ismael Diagne, Secretary, Senegalese National Confederation of Labor.

PRESIDENT MEANY: We are very happy to have these visitors with us and hope they enjoy their stay at our convention.

We will now proceed and resume the Report of the Resolutions Committee.

COMMITTEE CHAIRMAN ABEL: Mr. Chairman, I would now like to call for a partial Report of Subcommittee No. 3 of the Resolutions Committee. I will ask Vice President Francis Filbey to make a report for them.

REPORT OF COMMITTEE ON RESOLUTIONS (Resumed)

SUBCOMMITTEE SECRETARY FILBEY: Mr. President and delegates to the convention, this is a partial report of Subcommittee No. 3.

... Subcommittee Secretary Filbey presented the following report:

INTER-GOVERNMENTAL PERSONNEL ACT (IPA)

Resolution No. 35

(Book 1, Page 44)

REPORT OF RESOLUTIONS COMMITTEE

Subcommittee No. 3

This resolution supports increased funding for the Inter-governmental Personnel Act and seeks such funds for unions to conduct labor relations training.

The Committee recommends adoption of Resolution No. 35, and I so move.

... The recommendation of the Committee was unanimously adopted.

PUBLIC EMPLOYEE PROTECTIONS

Resolution No. 47

(Book 1, Page 62)

This resolution supports the protection of job rights of public employees affected by reorganization, closure, or consolidation.

The Committee recommends adoption of Resolution No. 47, and I so move.

... The recommendation of the Committee was unanimously adopted.

HATCH ACT IMPLICATIONS FOR STATE AND LOCAL GOVERNMENT

Resolution No. 36

(Book 1, Page 45)

This resolution calls for the removal of remaining restrictions on voluntary political activity by state and local government employees.

The Committee recommends adoption of Resolution No. 36, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

SPECIAL BENEFITS FOR PUBLIC EMPLOYEES

Resolution No. 88

(Book 1, Page 101)

This resolution calls for the amending of the omnibus Crime Control and Safe Streets Act of 1968 to provide a $50,000 federal payment to certain surviving dependents of public safety employees killed in the line of duty.

The Committee recommends that Resolution No. 88 be referred to the Executive Council, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

PRESIDENT MEANY: The Chairman of the Resolutions Committee, Brother Abel.

COMMITTEE CHAIRMAN ABEL: Mr. Chairman, I would like to call now on Vice Presidnet Gleason to continue the report of Subcommittee 1.

REPORT OF SUBCOMMITTEE NO. 1

. . . Subcommittee Secretary Gleason presented the following report:

INTERNATIONAL LABOR ORGANIZATION

Resolution No. 233

(Book 2, Page 125)

This resolution opposes the ILO's departure from i's original purposes, its double standards in applying ILO conventions and the erosion of its tripartite structure. The AFL-CIO calls on the government to reassess United States membership in the ILO

and to take action consistent with our national interests and principles.

The Committee recommends adoption of Resolution 233, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

SOUTH AFRICA

Resolution No. 234

(Book 2, Page 126)

This resolution restates the AFL-CIO's opposition to South Africa's racist policies and the apartheid system. It notes that the government of South Africa has recently taken some steps to ease its restrictive racial policies. It welcomes these actions, hoping that they may be the prelude to a democratic transformation. The resolution repeats the AFL-CIO's principled opposition to any system based on racial segregation, disenfranchisement and exploitation. It calls upon the government of South Africa to abandon its racial segregation system and to bring itself into the family of nations that respect the human rights of all people, regardless of race or creed or national origin.

The Committee recommends adoption of Resolution 234 and I so move.

. . . The recommendation of the Committee was unanimously adopted.

INDOCHINA AND ASIA

Resolution No. 235

(Book 2, Page 126)

This resolution describes the changing problems in Indochina and Asia since the Communist capture of South Vietnam. It calls for rejection of isolationism and cooperation of American workers and citizens, for preservation of freedom, economic development and free trade unions in Asia.

The Committee recommends adoption of Resolution 235, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

PORTUGAL

Resolution No. 236

(Book 2, Page 127)

This resolution vigorously condemns the Soviet Union's intervention in Portugal and calls upon the government of the United States and its NATO allies to aid and encourage the democratic majority in Portugal and to make provisions for substantial economic assistance to the democratic government that we hope will emerge from the travail of the Portuguese people.

The Committee recommends adoption of Resolution 236, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

THE MIDDLE EAST

Resolution No. 237

(Book 2, Page 127)

(This resolution covers the substance of Resolution No. 69, Book 1, page 83)

This resolution restates the AFL-CIO's conviction that every necessary economic and military assistance required to maintain Israel as a viable democratic state must be extended and continued until her security and future are assured and internationally recognized.

The Committee recommends adoption of Resolution 237, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

INDIA

Resolution No. 238

(Book 2, Page 128)

This resolution notes the grab for autocratic power in the most populous democracy in the world, India. It expresses sympathy for the victims of government by decree, and calls for a review of any U.S. program of assistance to the State of India which might perpetuate this shameful episode in Indian history.

The Committee recommends adoption of Resolution 238, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

NORTH ATLANTIC TREATY ORGANIZATION

Resolution No. 239

(Book 2, Page 128)

(This resolution covers the part of the substance of Resolution No. 67, Book 1, page 81)

This resolution describes the history and importance of NATO and its victimization by detente and calls for greater U.S. and other member contribution to its forces and leadership.

The Committee recommends adoption of Resolution No. 239 and I so move.

. . . The recommendation of the Committee was unanimously adopted.

DETENTE

Resolution No. 240

(Book 2, Page 129)

(This resolution covers part of the substance of Resolution No. 67, Book 1, page 81)

This resolution expresses AFL-CIO opposition to continuing unilateral concessions by the U.S. government to the Soviet Union in the name of "detente." The AFL-CIO stands prepared to support policies that will lead to a genuine detente, sharing with the rest of mankind the fear of nuclear war, but the cause of peace cannot be realized by strengthening the Soviet Union at the expense of the democratic West.

The Committee recommends adoption of Resolution No. 240, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

MILITARY DICTATORSHIP IN CHILE

Resolution No. 241

(Book 2, Page 130)

This resolution describes the cruel and inhuman suppression of human rights, civil liberties and trade union freedom following the military junta's takeover of Chile after the Marxist regime of Salvador Allende was deposed. The resolution states

that free trade unionists cannot condone the autocratic and oppressive rulers in Chile. When the people of Chile ultimately reclaim their human and political rights free trade unionists the world over will rejoice with them.

The Committee recommends adoption of Resolution No. 241, and I so move.

... The recommendation of the Committee was unanimously adopted.

PRESIDENT MEANY: The Chair recognizes the Chairman of the Resolutions Committee.

COMMITTEE CHAIRMAN ABEL: Mr. Chairman, now we would like to continue our report with Subcommittee No. 4.

... Subcommittee Secretary Sidell presented the following report:

MEDICAL MALPRACTICE INSURANCE

Resolution No. 3

(Book 1, Page 3)

This resolution calls attention to the crisis faced by patients, health and welfare plans and others affected by the skyrocketing costs of medical malpractice insurance. It calls for a system combining arbitration and no-fault insurance along the lines of bills which have been introduced by Senators Kennedy and Inouye.

Resolution No. 3 covers the substance of Resolution No. 113 in Book 1, page 139.

The Committee recommends adoption of Resolution No. 3 and I so move.

... The recommendation of the Committee was unanimously adopted.

FULL INSURANCE BENEFITS

Resolution No. 16

(Book 1, Page 23)

This resolution urges opposition to legislation to deny duplicate payments of health insurance claims under non-governmental health insurance programs. The Committee sympathizes with the intent of the resolution but we cannot endorse the policy suggested. Most AFL-CIO affiliates have accepted anti-duplication clauses in their negotiated health insurance programs because they recognize that duplicate coverage raises premium costs. Instead they have taken the position that any savings re-

sulting from anti-duplication clauses should be used to improve and expand health benefits.

The Committee therefore recommends non-concurrence in Resolution No. 16 and I so move.

. . . The recommendation of the Committee was unanimously adopted.

FOOD STAMPS

Resolution No. 23

(Book 1, Page 31)

This resolution condemns the attempt by the Ford administration, Congressional conservatives and right-wing organizations to cut off food stamp benefits to unemployed, striking and low wage workers. It calls upon the AFL-CIO to continue to support the food stamp program strongly and to oppose administrative and legislative efforts to weaken it.

The Committee recommends adoption of the resolution with the following amendment. The first three paragraphs on page 32 of Book 1 should be changed to read as follows:

WHEREAS: The decent way of reducing the cost of the food stamp program is to create jobs and to reduce food prices. But with its vetos of job creation bills and other actions, the Ford Administration has opted for high unemployment and high food prices. It seeks to reduce food stamp costs by preventing jobless workers from using the program to feed their families, and

In the next paragraph in the next to the last line, insert "could" after "problems".

In the next paragraph, delete the second sentence.

Resolution No. 23 covers part of the substance of Resolution No. 89 in Book 1, p. 102.

With these changes the Committee recommends adoption of Resolution No. 23 as amended and I so move.

PRESIDENT MEANY: You have heard the motion to adopt Resolution 23 as amended. Is there any discussion? Is there any objection? Mike No. 5.

DELEGATE MARY ELLEN RIORDAN, American Federation of Teachers: I would like to urge the body to concur most heartily in the recommendation of the Committee and to support this resolution that concerns food stamps. Coming from Detroit as I do, with unemployment as high as it is, among the highest in the nation, where the severity of suffering cannot be measured in human terms, we are losing unbelievably day by day because

of the loss of opportunity of use of food stamps; where we have been forced, those of us who have been on strike and have been suffering for lack of food, have been forced to go without food because we could not have food stamps.

We urge this Committee, this body and this organization to do what can be done in order that food stamps will be made available to those who are suffering from hunger and for those who without the food stamps will suffer from malnutrition not only now but for the rest of their lives, and whose children likewise will suffer. I urge that all of us give the kind of enthusiastic support to this use of the well-filled coffers of food that this nation has to offer. I urge that we all support this and work for it.

PRESIDENT MEANY: Thank you. Is there any further discussion on Resolution No. 23?

The motion is to adopt it as amended by the Committee.

No further discussion?

Is there any objection to the motion?

Hearing none, the motion is carried.

TAX LIABILITY OF EMPLOYEE PENSION CONTRIBUTIONS

Resolution No. 42

(Book 1, Page 51)

This resolution calls attention to the inequity that exists in the tax treatment of contributory as compared with non-contributory pension plans. In non-contributory plans, workers pay no tax on pension contributions until they collect their pension benefits whereas workers covered by contributory plans are taxed on their contributions at the time they are made. The resolution calls for deferring the tax liability of employee as well as employer pension plan contributions.

The Committee recognizes the inequity the resolution highlights. But the solution suggested, deferring the tax liability of employee pension plan contributions would benefit primarily higher income groups and only those who itemize their deductions.

Nevertheless this is a problem which deserves further study. The Committee therefore recommends that Resolution No. 42 be referred to the Executive Council and I so move.

. . . The recommendation of the Committee was unanimously adopted.

OLD AGE, SURVIVORS, DISABILITY AND HEALTH INSURANCE

Resolution No. 103

(Book 1, Page 126)

This resolution points to the fact that improvements are needed in this nation's treatment of the aged, sick and poor. It therefore calls for a number of far-reaching reforms in the Social Security program including:

A cost of living escalator more responsive to increased living costs Social Security beneficiaries must pay.

Removal of all differences in the benefit treatment of men and women.

A number of specific changes designed to more effectively meet the interrelated problems of old age, disability and unemployment.

Improved disability benefits.

Improvements in Medicare.

Additional financing by increases in the earnings base and a general revenue contribution but not by increasing the tax rate.

Correction of deficiencies in the Supplemental Security Income program.

Establishment of an independent Social Security Agency.

The Committee recommends adoption of Resolution No. 103 with the following changes:

1. Insert the following after the first paragraph:

With some astonishment at even having to say so, we in the AFL-CIO affirm our support of the social security system. Recent attacks on the low level of benefits, scare stories that it is going bankrupt, impel us to express our confidence in the integrity and workability of the system.

Since 1935, when it was first established, social security has been a continuing concern of the American labor movement. Nearly half the money in the system's trust funds comes out of workers' wages. More than 19 million workers and their dependents receive retirement benefits and the labor movement is well-represented among the nearly 12 million other beneficiaries of the program—disabled workers and their dependents, widows, widowers and orphans.

Claims that the system cannot meet its payments have recurred with some frequency during the past 40 years. The latest

fears have arisen out of exaggerated press accounts of the reports of the Social Security Trustees. We concur in the views of five former HEW Secretaries, Elliot L. Richardson, Robert H. Finch, Wilbur J. Cohen, John W. Gardner and Arthur Fleming, who have examined the latest charges and find them baseless. In a joint statement they issued recently they find no lessening of congressional commitment, and no grounds for believing the system cannot meet its obligations. The steady drop in the national fertility rate, if it continues, suggests that sometime in the next century a smaller group of workers will be supporting a growing group of older retired persons. The current rate of inflation and the increase in benefits, tied to the cost of living, suggest that an increase in income will be needed over the next 25 years to pay the cash benefits. But we agree with the Secretaries that the problem is manageable and does not constitute a financial crisis.

The purpose of the social security system today remains as it was in 1937 when U.S. Supreme Court Justice Benjamin Cardozo so aptly expresses it: "to save men and women from the rigors of the poorhouse as well as from the haunting fear that such a lot awaits them when journey's end is near." The social security system is still the best instrumentality we have for achieving that purpose. To say that, however, does not mean the system cannot be improved.

2. On page 129 of Book 1 under the sub-head "Supplemental Security Income (SSI)" insert the following after the first sentence:

Although it was known in advance that this program would be exceedingly complex and cover millions of impoverished elderly, blind and disabled, the Administration deliberately failed to request funds for anywhere near sufficient staff to launch the program on an effective and equitable basis. The result has been vast confusion involving substantial errors in payments and much hardship for many beneficiaries of the program.

We call upon the Administration to immediately request funds for additional staff to assure fair and effective administration of the program. Beneficiaries must not be made to suffer because of maladministration of the program. Therefore, rebates from the meager amounts recipients receive must not be required even if previous benefits they have received were technically overpaid.

But inadequate staff to properly administer the program is not the only problem.

With these changes the Committee recommends adoption of Resolution No. 103 as amended and I so move.

. . . The recommendation of the Committee was unanimously adopted.

RAILROAD RETIREMENT

Resolution No. 104

(Book 1, Page 129)

This resolution calls attention to the urgent need to update provisions of the Railroad Unemployment Insurance Act and calls for comprehensive reforms in that legislation.

The Committee is glad to report to the Convention that since the introduction of this resolution, the improvements in the Railroad Unemployment Insurance Act called for by the resolution have been enacted by the Congress. Therefore no further action on this resolution is necessary. I so move.

. . The recommendation of the Committee was unanimously adopted.

OLDER AND RETIRED WORKERS

Resolution No. 105

(Book 1, Page 130)

This resolution emphasizes that greater organization of retirees could make a significant contribution to achieving the goals of organized labor. It calls upon all affiliates to undertake and support active retiree programs and to cooperate closely with the National Council of Senior Citizens.

The Committee recommends adoption of Resolution No. 105 and I so move.

. . The recommendation of the Committee was unanimously adopted.

PUBLIC WELFARE

Resolution No. 106

(Book 1, Page 131)

This resolution states our opposition to phony "welfare reform" aimed at slashing welfare programs. Instead, we call for genuine welfare reform which requires broad public service employment programs, modernizing unemployment insurance, as well as strengthening the welfare program for those who are unable to work. The resolution therefore urges speedy Congressional action on genuine welfare reform to lift those who depend on welfare out of poverty and deprivation.

The Committee recommends adoption of Resolution No. 106 and I so move.

. . . The recommendation of the Committee was unanimously adopted.

SOCIAL SERVICES

Resolution No. 107

(Book 1, Page 132)

This resolution points to the fact that social services are needed not just by the poor but at times by Americans who are not poor including many workers and their families. That is why we urge that social services be available to people on the basis of their need for services and not on their income. The resolution therefore calls for increasing the present inadequate Federal funding of social services.

Resolution No. 107 covers the substance of Resolution No. 84 in Book 1, page 99.

The Committee recommends adoption of Resolution No. 107, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

UNEMPLOYMENT INSURANCE

Resolution No. 109

(Book 1, Page 134)

This resolution states that millions of jobless workers in the current recession have found the unemployment insurance system woefully inadequate to their needs. The AFL-CIO has long supported federalization of unemployment insurance with full protection of the job rights and employment conditions of all state employees who presently administer the program. Until that goal is achieved we favor enactment of federal minimum standards for eligibility, benefit amounts, benefit duration, disqualifications and other essential features of the program. Such permanent improvements can truly meet the needs of jobless workers.

The Committee recommends adoption of Resolution No. 109 and I so move.

. . . The recommendation of the Committee was unanimously adopted.

WORKERS' COMPENSATION

Resolution No. 110

(Book 1, Page 136)

This resolution states that progress in workers' compensation is badly lagging. The AFL-CIO has long favored federalization of the system with full protection of the job rights and employment conditions of all employees presently administering the program. Until federalization is achieved, we call for immediate enactment of legislation now before the Congress to establish minimum federal standards in all essential features of the program.

The Committee recommends adoption of the resolution with the following change:

Line 5 from the bottom of page 136 of Book 1 should be changed to read.

*Compulsory coverage of all wage and salary workers, including public employees, without numerical, occupational or industry exemptions.

With that change the Committee recommends adoption of Resolution No. 110 as amended, and I so move.

... The recommendation of the Committee was unanimously adopted.

HEALTH LEGISLATION

Resolution No. 111

(Book 1, Page 137)

This resolution throws the spotlight on the concerted effort by the Administration to abolish, curtail or reduce funding for essential national health programs. It commits the AFL-CIO to oppose all efforts to eliminate or cut necessary health programs. Instead, we pledge to support federal legislation in various areas to control the cost and improve the quality of medical care

The Committee recommends adoption of Resolution No. 111, and I so move.

... The recommendation of the Committee was unanimously adopted.

NATIONAL HEALTH SECURITY

Resoluton No. 112

(Book 1, Page 138)

This resolution calls upon the Congress to ignore President Ford's threat to veto national health insurance legislation and take immediate action on it. It reaffrms the AFL-CIO to wholehearted support of the Corman-Kennedy Health Security bill as the only program to assure all Americans the right to quality health care all ca: afford. In this effort, we will continue to work closely with the Committee for National Health Insurance.

The Committee recommends adoption of Resolution No. 112, and I so move.

. . . The recommendation of the Committee was unanimously adopted.

MALPRACTICE INSURANCE

Resolution No. 113

(Book 1, Page 139)

The substance of this resolution is covered by Resolution No. 3 which has already been adopted and therefore no further action is necessary.

COLLECTIVE BARGAINING AND HEALTH

Resolution No. 114

(Book 1, Page 139)

This resolution rocemmends that all affiliated unions should continue to expand health and welfare coverages until Health Security is enacted. It urges continued action for development of sound community-based prepaid group practice plans as one way of controlling costs and providing better care than the fee-for-service system.

The Committee recommends adoption of Resolution No. 114 and I so move.

. . . The recommendation of the Committee was unanimously adopted.

HEALTH INSURANCE FOR THE UNEMPLOYED

Resolution No. 115

(Book 1, Page 140)

This resolution states that the vast majority of jobless workers and their families have no health insurance protection. It

therefore calls for prompt enactment of an emergency health insurance program for the unemployed to be financed from federal general revenues.

. The Committee recommends adoption of Resolution No. 115 and I so move.

. . . The recommendation of the Committee was unanimously adopted.

EMPLOYMENT OF THE HANDICAPPED

Resolution No. 116

(Book 1, Page 140)

This resolution reaffirms AFL-CIO policy that every practical means shall be used to insure equal employment opportunity of all qualified handicapped workers. It recommends a number of legislative and collective bargaining measures to accomplish this objective.

The Committee recommends adoption of Resolution No. 116 and I so move.

. . . The recommendation of the Committee was unanimously adopted.

PENSION PROGRAMS

Resolution No. 117

(Book 1, Page 141)

This resolution states that it is important that the legislative victory organized labor has won with the enactment of the Employment Retirement Income Security Act is not undermined by hostile administration, inadequate appropriations and unsatisfactory regulations. It therefore calls for adequate appropriations and personnel for the Labor and Treasury Departments and flexible administration of the law in order not to disrupt legitimate pension arrangements. It requests affiliates to suggest needed changes in the law or regulations.

The Committee recommends adoption of Resolution No. 117 with the following change. Add at the end of the resolution:

In addition, we urge Congress to extend needed protections to employees in the public sector whose pensions are often subject to the same problems as those of employees in private industry.

With this change, the Committee recommends adoption of Resolution No. 117 as amended and I so move.

. . . The recommendation of the Committee was unanimously adopted.

COMMITTEE SECRETARY SIDELL: Mr. Chairman, that concludes our partial report of Subcommittee 4.

PRESIDENT MEANY: Thank you.

PRESENTATION OF GIFTS TO FRATERNAL DELEGATES

PRESIDENT MEANY: At this time, I would like to perform a very pleasant task. I would like Brother McGarvey the fraternal delegate from Great Britain to come here to the lectern.

Brother McGarvey, I am delighted to present to you the gold badge, which represents your presence here as a fraternal delegate to our convention, and I hope that you will keep it as a memento of your visit and of the time you spent in San Francisco.

In addition, I have a little gift of a watch that I am sure you will prize, and also a gift for Mrs. McGarvey.

I don't know what is in that package, but it will help you to square things away at home, I am sure.

FRATERNAL DELEGATE McGARVEY: President Meany, Brother Delegates: Thank you very much for this kind memento of Mrs. McGarvey and my visit among you.

I should say things were all very quiet this afternoon, but weren't too quiet this morning. But when you read Monday what I said this morning, I am sure you will think the links between the British Trade Union Movement and the AFL-CIO are always stronger when we tell one another what each of us thinks about each other.

And as George Meany said when I was introduced, the things that divide us are very, very small and we will always remain friends so long as we can talk openly with each other.

Thank you very much.

(Applause.)

PRESIDENT MEANY: Now, Mrs. Carr, will you come here to the rostrum?

I have also for you a gold badge, properly inscribed, which indicates your presence here as a fraternal delegate to this convention; and a very nice little lady's watch, which I am sure you will keep as a memento of this occasion and a remembrance of your visit with us.

Now, in order that you won't get in bad when you get home, I have a little gift for you to present to your husband. Thank you.

(Applause.)

FRATERNAL DELEGATE SHIRLEY G. E. CARR: Mr. President, I accept these gifts with a great deal of humility. As a very strong-minded and very strong-willed trade unionist, it was my pleasure to come and bring you remarks from my country and from my membership. But I must tell you, my husband will be very delighted with your thinking of him while I am down here, and I know that he will cherish whatever it is that is in this box.

I thank you very, very much.

(Applause.)

PRESIDENT MEANY: Thank you, Mrs. Carr. Delighted.

Now, Mr. Redmond, the second fraternal delegate from Great Britain.

Likewise, we have for you the gold badge, indicating your presence here as a fraternal delegate. Also, a very nice watch, which I am sure you will keep and cherish as a memento of this occasion.

And although you didn't bring your wife with you, we give you a little gift to bring home to her and that may help to square 'hings away when you get home after a long absence.

(Applause.)

FRATERNAL DELEGATE REDMOND: Thank you very much, indeed, Mr. President, sir, for the gold badge and the gift. I hesitate to say that the gift for the wife will have to be a gift for the girl friend. I am not married.

(Laughter.)

But thank you very much, indeed.

And I would like to present you, sir, my union badge. It is not made of gold, but the people who wear it have a heart of gold, and I think you have also.

PRESIDENT MEANY: Thank you. Delighted.

(Applause.)

Well, he is not married but maybe the little gift he is bringing to his girl friend might encourage her to do something about that.

(Laughter and applause.)

INTRODUCTION OF FOREIGN VISITORS

PRESIDENT MEANY: I would like to break in again to present more of our foreign visitors who are with us here today.

From Sri Lanka:

Antony Lodwick, General Secretary, National Workers Congress.

From Korea:

Sun-Won Chough, Member of Executive Board, Federation of Korean Trade Unions.

From Cyprus:

Michael Ioannou, General Secretary, Cyprus Workers' Confederation.

From the Dominican Republic:

Mrs. Inocencia Martinez, Delegate, National Union of Nursing Assistance and Services.

From Guatemala:

Mrs. Colomba Noack De Villagran, Former Secretary General, Social Security Workers Union.

From Honduras:

Ms. Alba Luz Vasquez, President, Textile Workers Local.

From Paraguay:

Mrs. Belen Galiano De Velilla, Second Vice President, Women's Committee of CPT.

From the Philippines:

Mrs. Lydia M. De La Cruz, Director, Department of Population and Family Welfare, National Congress of Unions in the Sugar Industry of the Philippines.

Zoilo De La Cruz, Jr., National President, National Congress of Unions in the Sugar Industry of the Philippines.

From Uruguay:

Ms. Maria Mireya Andreoli, Organization Secretary, Single Union of Workers of ANCAP.

From Lebanon:

Mrs. Samira Hallassou, Organizer, Committee of Women in the Labor Movement.

From Mauritania:

Sow Moussa Demba, Secretary for Administration and Organization, Workers Union of Mauritania.

From Pakistan:

Amanullah Qureshi, President, Sind Mazdoor Federation.

(Applause.)

PRESIDENT MEANY: The Chair now recognizes the Chairman of the Committee on Education, Vice-President Ward, for a report.

REPORT OF COMMITTEE ON EDUCATION

COMMITTEE CHAIRMAN WARD: Mr. Chairman and delegates, the Committee on Education is ready to report to the convention and I'll call on William Sidell, the General President of the International Brotherhood of Carpenters, who is Secretary of the Committee on Education, to make the report.

COMMITTEE SECRETARY SIDELL: Mr. Chairman, the Committee on Education met on Thursday, October 2, 1975 at noon to consider the following resolutions: Resolution No. 58, Book 1; Resolution No. 73, Book 1, Resolution No. 122, Book 1; Resolution No. 159, Book 2; Resolution No. 224, Book 2.

ESTABLISHMENT OF LABOR COLLEGES IN STATE UNIVERSITIES

Resolution No. 58

(Book 1, Page 74)

With respect to Resolution No. 58, the Establishment of Labor Colleges in State Universities, this resolution calls upon state AFL-CIO bodies to petition their state legislatures to establish labor colleges across the country as part of the state university system. Its purpose is to expand the access to higher educational experiences for American workers.

The Committee generally concurs with the sense of the resolution but would amend the language in the first Resolve so that it would read as follows:

"RESOLVED, that the AFL-CIO call upon state AFL-CIO bodies to petition their state legislatures to establish labor colleges in the state universities where feasible."

The words "where feasible" are the only added language to that paragraph.

Mr. Chairman, I move adoption of Resolution No. 58 as amended.

... The recommendation of the Committee was adopted.

FAIR TREATMENT OF AMERICAN LABOR IN SCHOOL TEXTS

Resolution No. 73

(Book 1, Page 88)

Resolution No. 73 addresses the long-time concern of the labor movement to be fairly treated in school textbooks. It calls upon all state and local central bodies to notify school boards and textbook publishers of this historical concern.

Mr. Chairman, the Committee concurs with Resolution No. 73 in its entirety, and I so move.

... The recommendation of the Committee was adopted.

EDUCATION (E.C. REPORT, PAGE 198)

Resolution No. 122

(Book 1, Page 146)

Resolution No. 122 represents the recommendation of the AFL-CIO Executive Council to this convention.

— It provides for continued efforts of the AFL-CIO to press for adequate federal, state and local funds to insure a healthy system in American education.

— It calls for the support of the extension of the present Elementary and Secondary Education Act without any substantial consolidation of existing authorized funds into block grants.

— It calls for the continuation of the Vocational Education Act with increased funding.

— It calls upon the AFL-CIO to continue to press for low tuition in higher education, enabling easy access for the children of American workers to pursue their higher education goals.

— It calls upon the Federation to continue its efforts to encourage the growth of adult education programs, and finally

— It reiterates the view that the AFL-CIO should continue to assist two-year post-secondary education institutions in the development of labor studies programs and in the involvement of trade unionists as instructors on trade union subjects.

Mr. Chairman, the Committee concurred with the foregoing recommendations and I move they be adopted.

... The recommendation of the Committee was adopted.

EDUCATION

Resolution No. 159

(Book 2, Page 52)

Mr. Chairman, the Committee reviewed the contents of this resolution and found itself in concurrence with paragraphs 1, 2, 3, 5, and 6 in the section on resolves. The paragraphs include

1. Education Financing
2. Early Education
3. Lifelong Learning
5. Alternative Education
6. Busing

In connection with paragraph six, busing, the Committee noted that the position stated therein re-affirms the AFL-CIO position taken by the Executive Council in 1972 and 1973. It supports, again, this position.

In connection with paragraph No. 4, Bilingual Education, the Committee noted new developments in this field and accordingly recommends that paragraph No. 4 be referred to the Executive Council for future action.

Mr. Chairman, I move the adoption of Resolution No. 159, as amended.

. . . The recommendation of the Committee was adopted.

FORCED BUSING

Resolution No. 224

(Book 2, Page 116)

The essence of this resolution calls upon the AFL-CIO to re-evaluate its position taken in 1972 and reaffirmed in 1973 on the subject of busing. The Committee finds no conflict between AFL-CIO policy and the matters complained of in Resolution No. 224.

The Committee, therefore, recommends non-concurrence with Resolution No. 224 and I so move.

PRESIDENT MEANY: You heard the motion on Resolution No. 224.

Is there any discussion?

Mike No. 1.

DELEGATE LEONARD SMITH, Kentucky State AFL-CIO: I rise to speak on Resolution 224.

We are not contending that we are taking a position opposite to our convention the last two conventions. If you will note in the resolution—and I hope you will take time to take a look at the resolves at this particular time because this is going to happen in your state. This is not a racial issue.

You know that Louisville, Kentucky has made national news in the last few weeks. If you will bear with me for just one minute, let me take you on a tour of the problems that our working people are having in Kentucky today.

A working family having, we'll say, four children, The first child, in many cases, has to catch the school bus at 6:00 o'clock. That requires the mother to get up around 5:00 o'clock to start cooking breakfast to get him off to school. Then the others go on to school. Maybe the latest one goes as late as 9:30 in the morning, bussed 22 miles across the city. This is a problem because a working mother has to hire a babysitter to stay with the children after she leaves for work at 7:00 or 7:30 and to come in early in the afternoon.

We all want equal opportunity of education, and this does not provide for equal opportunity or add any extra benefits by this type of bussing. This is tearing your labor movement apart in Louisville, Kentucky, and they are hoping this convention, made up of working people, will have some sympathy for the working families who have worked their livelihood and buy a home in communities close to school to find that their children for no reason at all are bussed from one end of the city to the other.

I want to remind you this resolution passed our Executive Board by an unanimous vote, including the black boy and a most respected boy in Louisville, Kentucky, Jimmy Stewart. He is Chairman of the Philip Randolph Committee, he is President of the State Building Trades. So, I'll assure you it's not a racial issue.

This is something that we can't sweep under the rug, and I beg of you to vote against the Committee's recommendation and pass this resolution.

Thank you.

PRESIDENT MEANY: Mike No. 2.

DELEGATE TOM TURNER, Metropolitan Detroit AFL-CIO: I rise to say that I sympathize with our brother from Kentucky in the problems that they have, and I understand that this whole busing situation is really blown out of proportion, but I would urge the delegates to support the Committee's recommendation.

PRESIDENT MEANY: Thank you.

Any further discusion?

Vice President Fred O'Neal.

VICE PRESIDENT O'NEAL: Brother delegates, the speaker has said this is not a racial issue, and let us agree with him that it is not a racial issue, but I only want to say this: That in your proposal that you have given us I think that we could agree with one or two of those Resolves that you have, one of which is that we oppose acts of violence or violation of any law in the process of seeking a solution to the bussing isue. That I think we can all agree to.

I just want to say that any progress in this field is going to meet with some opposition. For many, many years in the state where I was born, and that is the State of Mississippi, we were bussed miles and miles to school. Not only were we bussed, but we were cut off by two months of education from the education of whites. That is, our education was two months shorter because we were put back in the fields. And we didn't get any protest on that.

Any progress that we make in this field is going to cause some opposition, but I think you will find that in the Executive Council's resolution, that we state in that resolution that in the interest of better education—I'm not reading it verbatim—in the interest of better education we support bussing where that is involved. And I think you will find that. I don't see any objection to that, and I urge you to pass this resolution as recommended by the Committee on Resolutions.

PRESIDENT MEANY: Is there any further discussion?

Mike 2.

DELEGATE EDWARD L. McMAHAN, Glass Bottle Blowers: In support of Brother Frederick O'Neal's statement from the State of Misissippi, from which he came and I am from, I support this resolution even though I know that it has been a hardship on some of the people in the State of Mississippi. But still I know that my colored brothers have been denied the right as far as education. So, therefore, I go on record as supporting this resolution.

Thank you.

(Applause.)

PRESIDENT MEANY: Thank you.

Is there any further discussion?

I would like to make it clear that what the report of the Committee actually does is support the position of the AFL-CIO that has been stated and restated several times in the past.

I'm going to read the last statement on school bussing—or at

least the statement on school bussing made originally in February of 1972. It goes as follows:

"The AFL-CIO has consistently supported both quality education and integrated education. We have just as staunchly supported mass investment of federal funds to improve substandard schools. We have fought for legislation to achieve open housing as the most effective way to achieve integrated education.

"The AFL-CIO Executive Council categorically reiterates this position and adds:

"1. We wholeheartedly support bussing of children when it will improve the educational opportunities of the children.

"2. We deplore the actions of those individuals of groups who are creating a divisive political issue out of America's vital need for quality integrated education.

"3. We will oppose the constitutional amendment approach because it will do a disservice to the quality integrated education which we support."

The report of the Committee reaffirms that position.

Is there any further discussion?

Those who favor the motion to adopt the report of the Committee signify by saying "aye."

Contrary?

Carried and so ordered.

Now, at this time I would like to present for just a few short remarks the representative in Congress who represents this particular district, a very prominent member of Congress, I don't mind saying. He was supposed to be here yesterday morning as part of the local welcoming ceremonies, but he was detained in Washington due to a crucial vote. So I would like to present him to you at this time for a few short remarks.

Congressman Philip Burton.

(Applause.)

PHILLIP BURTON
U.S. Representative

You have been welcomed by many, and I want to add my welcome to those that come from other sections of the country to this what we think and hope is the best labor city in the United States.

I would also as Chairman of the Democratic Caucus like to thank each of you and your membership for your help in the precincts and your help in all very important respects that produced the electoral victories that we had in November, 1974.

I would admonish my colleagues if they would pay a little more attention, George, to the economic policies of the AFL-CIO, if we spent a little more to put a lot more people to work, we wouldn't have this incredible deficit that's now confronting the American people.

I'm not going to make a speech. I promised George I wouldn't. I don't think you have any patience for it. Other than to simply note this: That it is really vital that the Democratic Party and all of its prospective candidates keep the lines of communication open and, if they have any sense, consult with the leadership of the American Labor Movement so that we finally decide on a nominee in 1976. And I say parenthetically we could beat Jerry Ford with nobody. Our problem is when we pick somebody we really may be in some trouble.

(Laughter)

But if we keep our heads screwed on right, and we work with our friends and allies up to the point of that nomination, we can enter the November 1976 Presidential Election with our strengths united and restore the presidency of the United States to somebody who is concerned with the well being of all the American people.

Thank you very much.

(Applause.)

PRESIDENT MEANY: Thank you very much, Congressman Burton.

The Chair now recognizes the Chairman of the Committee on Education to conclude his report.

REPORT ON COMMITTEE EDUCATION (Resumed)

COMMITTEE CHAIRMAN WARD: Mr. Chairman, the Committee on Education has completed all the business referred to it, and we have taken care of all that.

I want to announce the members of the Committee in addition to myself, as Chairman, and Secretary Bill Sidell, the members of the Committee:

William A. Gillen, Insurance Workers; Paul J. Burnsky, Metal Trades Department; Robert Porter, Teachers; Gilbert Jewell, Allied Industrial Workers; Charles A. Perlik, Newspaper Guild; Paul Swaity, Textile Workers; Robert E. Powell, Laborers; Frank Ferlin, Jr., Railway Supervisors; George Fairchild, Service Employees; Walter Degnan, School Administrators and Supervisors Organizing Committee; George E. Gill, Communications Workers; and William Lucy, State, County, Municipal Employees.

PRESIDENT MEANY: Thank you very much. I thank the members of the Education Committee.

(Applause.)

Now, just a few announcements.

One, in accordance with the usual procedure, there will be a special order of business on Monday morning at 11:00 o'clock for the election of officers.

And now the Chair recognizes Secretary-Treasurer Kirkland for some further announcements.

INTRODUCTION OF LATE RESOLUTIONS

SECRETARY-TREASURER KIRKLAND: In accordance with Article IV, Section 10(a) of the Constitution, the following resolution was received late. The organizations introducing this resolution have met within 30 days prior to the opening of this convention and they therefore do not require unanimous consent but will be placed before the convention.

OPPOSING ELIMINATION OF FEDERAL LABOR LAWS IN PUERTO RICO

RESOLUTION NO. 364—By Puerto Rico Federation of Labor and San Juan Central Body.

WHEREAS, The State Federation of Puerto Rico and the San Juan Central Body have taken action at their September, 1975 meetings opposing Article 17, Sections A, B, and C of the Puerto Rico Status ad-hoc committee report which will deny all Federal Labor Law protection, such as NLRB, Minimum Wages, OSHA, etc., as presently exists to the workers in Puerto Rico; therefore, be it

RESOLVED: That this convention endorses and concurs with the action of its affiliates in opposing Article 17 of the ad-hoc Committee report as submitted.

Referred to Committee on Resolutions.

PRESIDENT MEANY: I would like to remind the delegates that Monday our starting time is 9:30 instead of 10:00 o'clock, according to the rules and order of business adopted yesterday.

This concludes our work for today, and we reconvene on Monday, 9:30 in the morning.

. . . At 5:10 p.m., the convention recessed until 9:30 a.m., on Monday, October 6, 1975.

The following resolutions are included at the request of the Convention Committee on Resolutions:

Resolution No. 261

THE NATIONAL LABOR RELATIONS ACT

The 40th Anniversary of the enactment of the National Labor Relations Act is a time not for celebration but for sober and measured reassessment. The NLRA is a major advance over the prior judge-made law. But the Act has not proved adequate to fulfill the promise, set out in Section 1, to "encourage the practice and procedure of collective bargaining."

In fact, the practices of the National Labor Relations Board and the procedures it has adopted to placate intransigent employers, today frustrate the legitimate desires of workers for union representation and the basic right to bargain collectively with their employers.

Some employers, exemplified particularly by companies like J. P. Stevens and Florida Steel, still engage in massive violations of our labor laws as a matter of company policy and as a way of life.

These hard core employers flout the national labor policy by firing, intimidating, coercing and discriminating against their employees who seek to exercise their rights guaranteed by Federal law.

Labor's bill of complaints is long. Our documented record of injustices is too detailed to be recited here but two major points require emphasis.

First, the board's representation election and unfair labor practice proceedings are too often arid, legalistic exercises lasting for one, two or even three years. Delay is the basic weapon of the employers who oppose organization by any and every means. These employers know that representation delayed is representation denied. The living symbol of this problem is the case of Darlington Manufacturing Company which blatantly closed its plant in 1956 in retaliation against the employees' decision to unionize. To date not a penny in backpay has been paid to the hundreds of workers who were thrown out of work 19 years ago despite the Supreme Court's decision that the purpose of the shutdown was to chill unionism throughout the chain of the parent company. And Darlington is just one among hundreds of examples of labor justice delayed—which, as the adage says, is justice denied.

Second, the board's remedies for employer unfair labor practices are totally inadequate. The simple truth is that after more than 40 years of purported legislative protection, there is not

presently any effective and timely remedy to counter an employer who discriminatorily discharges an employee to discourage membership in a union, or who engages in an unlawful refusal to bargain.

At best, an illegally discharged employee is reinstated with backpay. The other losses he may have suffered from being deprived of his job go unremedied, as does the harm to the other employees and the union caused by the employer's unlawful techniques for frustrating the right to collective bargaining. To a confirmed anti-union employer, backpay is often a small price to pay for fending off the cost of the improvements in terms and conditions of employment which a union would bring.

Similarly, an unlawful refusal to bargain is "remedied" by no more than a pious reprimand; the employees and the union are not made whole for the losses they have suffered from the employer's bad faith unwillingnes to reach a contract.

In infamous example of the ineffectivenes of NLRB remedies is J. P. Stevens, which continues its decade-long effort to flout the national labor law despite the puny penalties which the Board has assessed against the Company.

These deficiencies are compounded both by the board's failure to take full advantage of the options open to it to speed its processes and to put teeth into its remedies, and by its decisions narrowing the scope of the provisions stating the employer unfair labor practices prohibited by law and its decisions stretching beyond the limits stated by Congress the provisions directed at unions.

Employers who blatantly violate the act continue to receive government contracts. Those who refuse to bargain without just cause are not required to reimburse their employees for their lost collective bargaining rights. One of the board's best weapons to reduce delay—its power to seek an injunction under Section 10(j) of the National Labor Relations Act—lies virtually unused, being invoked barely 15 times a year against both company and union violators. And, it is the Board which stubbornly continues to refuse to order employers to make their employees whole for losses caused by unlawful refusals to bargain.

Organizing the unorganized and bargaining collectively on behalf of those already organized is the life blood of the labor movement. Neither the NLRA nor the board in its administration of the act can be allowed to strangle these vital functions. Yet it is plain that neither the present members of that agency, nor the judiciary as presently constituted is equal to—or, in fact, is interested in—the task of reforming the law. The leadership must come from the Congress.

Throughout the long and dreary years of the Nixon Adminis-

tration, we realistically recognized that the time was not ripe for the full-scale congressional investigation that is necessary and the legislative reforms that must be made.

But that atmosphere has changed.

The House Labor Subcommittee, chaired by Congressman Frank Thompson of New Jersey, has announced oversight and legislative hearings on the NLRA and the NLRB, and legislation is being considered which would overcome the problems of delay, strengthen and broaden remedies and generally put more bite in the law.

The AFL-CIO has already taken vigorous steps to assure that labor's objections, its bills of complaint and its documented evidence of maladministration are brought forcefully to the attention of the Committee. To insure that the evidence is complete and accurate, it is imperative that each affiliate provide the information sought by the national offices of the AFL-CIO.

Therefore, be it resolved that since the process of renewing the heritage embodied in the original Wagner Act has begun in earnest, organized labor must devote every resource to achieving changes in the law that protect and advance the right to form and join unions and to bargain collectively. Today both the law and its administration frustrate those goals and that can no longer be tolerated.

Resolution No. 262

IMMIGRATION ABUSES

This nation is a nation of immigrants who came to the United States to make their permanent homes, with the intent of becoming part of this society, abiding by its laws, and committing themselves to productive work and responsible efforts to better their fellow workers and citizens.

Immigration by large numbers of persons who enter the United States illegally threatens rather than advances our national well-being, because such illegal immigrants, easy targets for blackmail, exploitation and intimidation by exploitative employers because of their illegal status, often work for substandard wages and under sweatshop conditions. Their presence takes jobs from American citizens and legal aliens and undermines the movement toward fair wages and working conditions.

Foreign national employers in various industries are similarly depriving Americans of jobs and threatening workers' progress by importing temporary "non-immigrant" aliens, refusing as a matter of policy to hire skilled American craftsmen, exploiting skilled and unskilled American workers in the guise of providing training programs, although the programs are either non-exist-

ent or totally inadequate) and refusing to hire any American union members. These deplorable results are accomplished because of abuses of various statutes and regulations of the Immigration and Naturalization Service, deceptive information regarding foreign national operations, and insufficient vigilance by the government to interpret and administer the law so as to prohibit the use of temporary non-immigrant foreign nationals except as true managerial or appropriate training personnel.

The Department of Labor and Department of State have further exacerbated these problems by their misadministration of the certification procedures written into the law to protect workers in this country. The result is that American workers in the arts, industry, building, services and agriculture find themselves displaced from already scarce job opportunities. Therefore, be it

RESOLVED: AFL-CIO calls for the following steps to assure that only immigrants who can become a part of the full social fabric of this country, with all the rights and responsibilities of permanent, legal residents, are able to live and work here:

1. Swift passage by Congress of pending legislation providing criminal penalties for employers who knowingly and willfully hire illegal immigrants;

2. Development of effective methods for patrolling our borders to curb illegal entry, investigating applicants for entry to assure compliance with existing laws and regulations designed to admit only productive, needed workers, and otherwise providing for strict enforcement of our immigration laws.

3. Administration of existing legislation by the Immigration and Naturalization Service, the Department of Labor, Department of State and other agencies so as to curb abuses by foreign companies operating in this country and to assure that temporary foreign national non-immigrants do not take jobs which rightfully belong to American workers.

4. Commitment by this organization to persuade members of Congress to sponsor, endorse, and pass remedial legislation to limit the discretion of the Immigration and Naturalization Service, the Department of Labor and other agencies with regard to employees of foreign companies operating here, and to increase funds authorized for effective enforcement of existing legislation.

MULTINATIONAL CORPORATIONS

Resolution No. 263

Although they are a relatively new phenomenon, multinational corporations already span the globe. They know no homeland and have no loyalties to nations or people. Concerned almost entirely with the bottom line on the ledger book, the multina-

tionals too often disrupt economic life, undermine political stability and the social fabric of the nations in which they operate.

The multinationals today dominate world business. They take the form of corporations, or combinations of private corporations with state-controlled industries. They include the world's bankers, shippers, lenders, builders and service industries. Because they can move capital and resources across national boundaries they can and do avoid the law of both host nations and the nations to which they owe nominal allegiance because of their corporate papers or other legal forms.

U.S.-based multinational firms have destroyed and exported the jobs of millions of American workers and have left behind communities devastated by the closing of plants upon which their economies have depended. As far as the multinationals are concerned, U.S. technology, capital, services and even construction are for export to those nations where they can make the greatest profit through the exploitation of labor or resources, through currency speculation, through tax breaks, and even through the corruption of public officials.

The U.S.-based multinationals and their foreign-based counterparts have brought a new look to the economic, political and industrial scene. They have institutionalized the runaway shop, the runaway ship, the runaway film and have converted them into international facts of life. Nations that once invited these firms to locate in their countries already find to their horror that they must constantly bend to the demands of the multinationals lest they pack up and move to a still more compliant host nation. Few industries, fewer and fewer workers are unaffected.

The American economy is damaged by this new development. The industrial base that is the heart of our national economy is already seriously eroded. Massive export of U.S. jobs and technology adds to unemployment and economic instability and weakens the nation's ability to cope with the massive domestic problems that now confront us.

This threat to our livelihood grows as the giant multinationals move across the face of the globe, expanding and contracting without concern for the welfare of the people affected. While no precise reporting of their impact on jobs at home exists, the U.S. Department of Commerce has reported that foreign sales of foreign affiliates of U.S.-based multinationals were $291 billion in 1973. The value of exports back to the U.S. from these foreign affiliates of U.S.-based multinationals increased by 39 percent to $20 billion. The trend has since accelerated.

Even the partial reports show that U.S.-based firms have more

than 5,000,000 jobs abroad. The reported foreign sales of these foreign affiliates of U.S. companies—in the neighborhood of $300 billion—are about three times greater than this country's total exports.

Tax breaks in the federal tax code subsidize the movement and cause the multinationals to plan even more rapid investment and expansion behind the sheltered walls of closed economies of other nations. Present federal policy points to still further threats to the job security and hopes of American workers who are already beset by the highest unemployment rate of any industrial nation. U.S. policy permits multinationals to escape U.S. taxes by moving operations around the globe. Thus the U.S. taxpayer subsidizes the export of technology and the export of jobs with his own tax dollars. The U.S. government encourages job losses at home not only through essentially unrestricted imports but also by policies that aid and abet the export of U.S. technology, and materials needed for a strong economy at home.

The AFL-CIO recognizes that the United States does not and cannot live in isolation. At the same time, this nation must develop policies that will develop its economic and industrial base. In large part, current problems flow from the inept and ill-conceived economic policy which encourages multinationals to export manufacturing, shipbuilding, construction, transportation, finance, film production and other economic activity vital to the strength of the domestic economy.

Multinationals today mock even the private enterprise system which gave them birth and whose virtues they parade. They make deals with the Communist bloc reminiscent of sweatshop days here at home. The Communists offer cheap labor, no unions, no strikes, political pricing of raw materials and finished products for the multinational capitalists. In exchange, the multinationals provide new technology—the industrial potential which the U.S. system created, often paid for by American taxpayers. The U.S. policy, as in the case of Romania, has been to grant most favored nation treatment to imports from these nations. Production now moves to the Eastern European Communist countries, as multinationals seek ever-cheaper labor and even auto production by General Motors in Poland has been announced—for export to the United States and across the globe.

As workers here and abroad have discovered, the threat of international relocation by multinations weakens the workers' position in collective bargaining. And when there is a strike in one country, they have the capacity to increase production in other countries, thus further undermining the position of workers. The unregulated operations of multinationals pose major challenges to trade unions, to the Free World and to the future strength of the United States.

The AFL-CIO, therefore, supports increased cooperation among trade unionists from different countries in the international trade secretariats, as one counterweight to the multinational corporations' disregard for workers' interests. The AFL-CIO further endorses the development of an effective international code of fair labor standards to strengthen the rights of workers to organize unions, engage in collective bargaining and to obtain decent wages and working conditions.

In order to achieve the objectives of the American labor movement for jobs, improving living standards and a strengthened economic base, the AFL-CIO urges Congress to implement policies to insure that the operations of multinational corporations are consistent with the growth of domestic industry and American employment. Essential provisions must include:

1. An end to preferential tax treatment for the multinationals' foreign operations, including repeal of the Foreign Tax Deferral, the Foreign Tax Credit and DISC (tax deferral of 50 percent of profits of export subsidiaries);

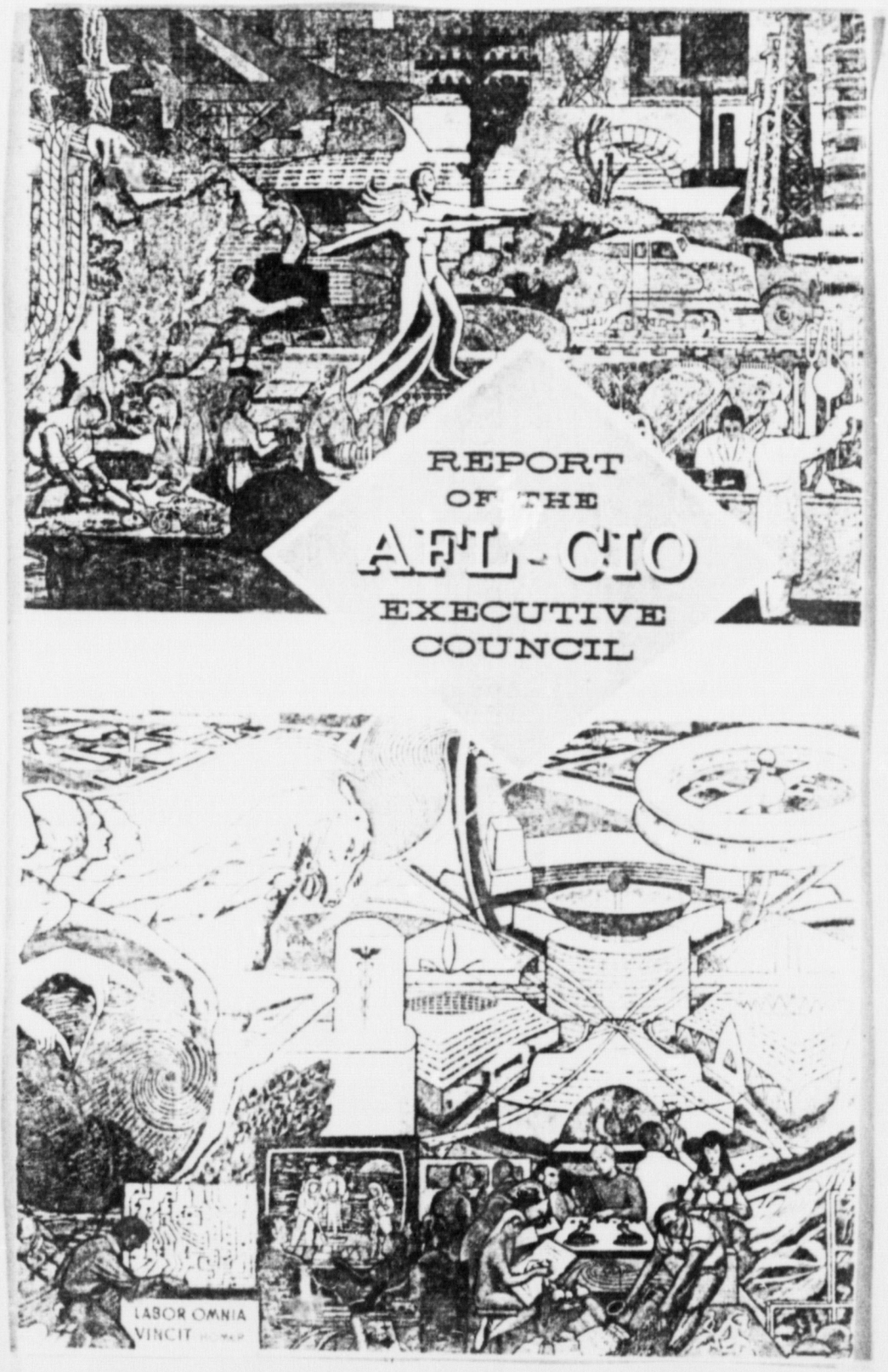
2. Comprehensive federal monitoring of multinational corporations, to measure precisely their impact on employment, investment and productivity.

3. Regulation of the export of our most advanced productive equipment and industrial plant.

4. Regulation of the export of American capital and technology.

5. Regulation of imports into the United States economy, to help build American jobs and to assure America's future as an economy with a strong industrial base.

AFL-CIO EXECUTIVE COUNCIL REPORT DATED OCTOBER 2,1975



REPORT

OF THE

EXECUTIVE COUNCIL

OF THE

AFL-CIO

ELEVENTH CONVENTION

SAN FRANCISCO, CALIFORNIA

OCTOBER 2, 1975

AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS

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AMERICAN FEDERATION OF LABOR AND
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815 16th Street, N.W., Washington, D.C. 20006

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TABLE OF CONTENTS

	Page
PRESIDENT'S REPORT	1–8
SECRETARY-TREASURER'S REPORT	9–45
Financial Report	9
Statement No. 1—General Fund, Balance Sheet	12
Statement No. 2—General Fund, Income and Expenses	13
Statement No. 2A—General Fund, Expenses by Categories	14
Statement No. 3—Per Capita Taxes From National and International Unions	15
Statement No. 4—National and International Union Expenses	22
Statement No. 5—Regional Offices' Expenses	22
Statement No. 6—Headquarters Expenses, Administrative Departments	23
Statement No. 7—Headquarters Expenses, Other Departments	25
Statement No. 8—Headquarters Expenses, Other General Expenses	28
Statement No. 9—Expenses of Directly Affiliated Locals and Central Bodies	29
Statement No. 10—Defense Fund	29
Statement No. 11—Special Purposes Fund	30
Staff Retirement Plan	35
Membership Table	38
Auditing Department	43
THE LABOR MOVEMENT 1973–1975	46–61
Structure and Leadership	46
Internal Disputes Plan	49
Organization and Field Services	51
State and Local Central Bodies	54
Organizing Activities	56

	Page
WATERGATE	62–65
NATIONAL ECONOMY	66–113
Economic Situation	66
Collective Bargaining	95
Tax Justice	99
Financing State and Local Governments	104
Manpower	108
Consumer Protection	111
ENERGY AND THE ENVIRONMENT	114–124
The Environment	120
INTERNATIONAL RELATIONS	125–148
World Affairs	125
AIFLD	136
African-American Labor Center	138
Asian-American Free Labor Institute	140
International Trade and Investment	142
SOCIAL SECURITY	149–174
Old Age, Survivors and Disability Insurance	149
Public Welfare and Social Services	156
Unemployment Insurance	161
Workers' Compensation	164
Health Legislation	167
Pension Programs	173
URBAN AFFAIRS AND HOUSING	175–192
Housing	175
AFL-CIO Mortgage Investment Trust	179
Human Resources Development Institute	180
Anti-Poverty Program	187
Veterans Affairs	189

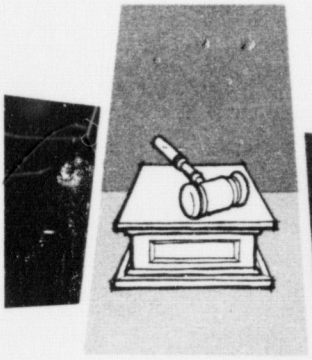
	Page
EDUCATION	193–200
Labor's Bicentennial	199
COMMUNITY SERVICES	201–206
SAFETY AND OCCUPATIONAL HEALTH	207–213
CIVIL RIGHTS	214–221
Women Workers	218
LABOR AND THE LAW	222–248
NATIONAL LEGISLATION	249–345
AFL-CIO Action Program	249
Jobs and the Economy	264
Housing and the Environment	285
Health, Education and Welfare	291
Consumer Affairs	306
Labor Legislation	313
Civil Rights, Civil Liberties	327
Elections, Congressional Reform	330
Foreign Affairs	341
STATE LEGISLATION	346–349
POLITICAL ACTIVITIES	350–356
HEADQUARTERS DEPARTMENTS	357–376
Civil Rights	357
Community Services	358
Education	360
International Affairs	361
Legislation	362
Organization and Field Services	364
Political Education	366

Page

Public Relations 366
Publications 367
Research 368
Social Security 369
Urban Affairs 371
General Counsel 372
Library 375

TRADE AND INDUSTRIAL DEPARTMENTS 377–437
Building and Construction Trades Department 377
Industrial Union Department 388
Metal Trades Department 399
Maritime Trades Department 407
AFL-CIO Maritime Committee 413
Public Employee Department 419
Railway Employes' Department 423
Union Label and Service Trades Department 428
AFL-CIO Auxiliaries 436

CONCLUSION 438



The President's Report

This Executive Council report, which it is my honor to present to the delegates to the Eleventh Constitutional Convention, is an account of the Council's stewardship during two of the most difficult years of America's history.

This country is in trouble at home and abroad. At every turn, grave problems must be faced, grave questions resolved—each with ominous implications for the future. America's economy is in major trouble; her social welfare programs are being undermined; her relations with other nations are in disrepair; her prospects for peace, prosperity and security are in doubt.

Indeed, this report is the gloomiest ever presented to an AFL-CIO Convention in this organization's 20-year history.

That gloom must, of course, be tempered by the labor movement's abiding faith in this country, its institutions and, most importantly, its people. We know America is equal to any challenge and can meet and best any foe, because of the strength and the resolve of her people.

We in the labor movement have unshakeable faith that the American people will chart a progressive, responsible and responsive course for their nation, provided that the serious questions confronting them are presented to them factually and honestly, unobstructed by polemic and free of rhetorical gloss.

It is to these questions that this Convention must address itself. For, as the United States approaches its Bicentennial year, the question that must be answered in economic, domestic and foreign policy is, "Which way, America?"

The alternative courses are clearly marked.

For economic policy, one path leads to a return to 19th Century economics—the classic "trickle-down" theory which is based on more wealth for the few and hardship and even poverty for the many. It is easily identified by its benchmarks—low wages, recurring recessions, broad gaps between the haves and the have-

nots and the simplistic view that every person determines his or her own economic destiny. The other path—the one the labor movement has traditionally chosen—is general prosperity, built on mass purchasing power, with workers able to buy the products they produce. Its benchmarks are full employment, full production, a balanced economy, and a government with a social conscience.

Domestically, there are again two courses America is being asked to choose between. One would roll back the social progress of this century in a search for that so-called "simpler" time when the social ills of poverty, depravation and discrimination were left to right themselves—the "Good Old Days" of sweatshops, segregation, starvation. The course we in the labor movement have consistently followed is one of building a better world for our children. It is one of expecting government to represent all of the people, to break down discrimination, to provide opportunity, to feed the hungry, to educate the young—in short, to provide economic and social justice for those who cannot take care of themselves.

In foreign policy, the choice is between a path that appears deceptively easy—the smooth, downhill road of appeasement—and one that requires intense moral and political leadership. Detente, as practiced by this Administration, is the road to surrender of principle, to trafficking with those who enslave others, destroy freedom and mock liberty. The alternative calls on the American people to summon up their love of liberty and their devotion to freedom for all and provide leadership to the free world—to challenge the dictators, to aid the oppressed. It is a higher calling, built on the foundation of freedom and democracy.

These are not easy choices for any country, but they are ones America must make.

And it is up to us, the leaders of America's free labor movement, to play a vital role in that decision-making process. This Eleventh Convention, this labor movement, must vigorously pursue our role as the workers' advocate. We must not be timid or comfortable or quiet-spoken. To the question "Which way, America?" we must have positive, forward-looking answers. Our members and their fellow countrymen are looking for leadership; they will not find it wanting in the labor movement.

At this moment in history, it is leadership that America needs most.

For the first time in its history as a republic, the nation's leader is unelected, his policies supported by only a minority of the Congress. His is a government of negativism, which halts all legislative attempts to remedy discredited economic and foreign policies through a nihilistic use of the veto power. The presidency—the source of leadership for this nation—is treading water in a whirlpool of crises. America deserves better.

The Congress, on the other hand, has been unable and unwilling to step into this leadership vacuum. By its structure and

the nature of the country's political system, the 535 men and women of the Congress simply can not lead as one. But neither should they be trapped into either intransigence or unwarranted compliance.

For better or worse, the government of the United States was founded on an adversary basis in the belief that it will yield the compromise which will best serve the people. From our experience in collective bargaining, we in the labor movement know that it takes two to compromise, two to settle. Today the will to compromise is lacking in both President and Congress; the determination to make political capital out of each other's ineptness prevails; and, as a result, progress is strangled.

The Congress allows itself to be spurred by the President and his economic apologists into competing with the Executive Branch to see who can cut the budget deficit the most. Instead of forthrightly representing the victims of the Administration's disastrous economic policies—the average American worker and consumer—the Congress tries to beat the President at his own game, which is recessionary economics.

And the victims are still awaiting help from their government. For the eight million unemployed, the Administration predicts the wait will be four more years. For the poor, the elderly and the sick, the wait will be longer, more painful.

Recession is eating at the fabric of American society. The longer people are unemployed, the easier it is for the well-off and the comfortable to forget. The longer people are unemployed, the more desperate their situation becomes.

There is a lot of talk about the "work ethic" from Administration luminaries, who seem to have forgotten it is pretty difficult to have a work ethic if one can't find work. What this Administration is creating, consciously or unconsciously, is a large pool of hard-core, long-term unemployed certain to breed new and greater social ills.

It gives us little satisfaction to know that the labor movement was the only group in society that foresaw the recession, that warned of its potential severity and called for policies to provide jobs for American workers. The fact that we were right as long as two years ago does not make unemployment any easier for the unemployed to bear.

What are needed now, what has been needed for two years, are solutions, not optimistic predictions. Administration economists can no longer be taken at their word. They have lied, deceived, distorted and misled. They conjure up programs from the economic cauldrons of the past. They offer no solutions to unemployment; rather they prescribe devices to enhance business profits. They propose tax cuts for business and the wealthy, and a lower standard of living for workers.

The Administration is using the unemployed in a dangerous political game. High unemployment is a way to keep wages down and workers "in their place." They are subscribing to a theory

that was popular when I was very young—that there was nothing that would aid productivity more than to have workers on the outside of the factory looking for jobs. The idea is to pit worker against worker for the available work. When there is competition of this type, the theory is that workers can not get together, be it in unions or political coalitions. These theories were as wrong with a McKinley in the White House as a Ford.

But these discredited theories are still being tried. Some hope that high unemployment will break apart the bond between the labor and civil rights movements over the question of seniority. The question should be jobs for all, not whether the unemployed should be white or black, male or female. But in desperate times, desperate people often find their vision clouded, and there are some who have succumbed, some who advocate division when unity is the only sensible course.

Of course, the official Administration line is to be optimistic about the state of the economy, the strength of the recovery and the future. Some economists and commentators ape this optimism.

But we in the labor movement are realists who look at the facts, not the fancy wrappings. So, I must report to you in all candor, the future is bleak, not bright.

The fact is that the Administration has sown the seeds for another recession—deeper and more serious than today's. While the economy is now enjoying a short breather, the recession is not over. Unemployment remains far too high and production far too low to sustain economic growth.

Two years ago we warned that tight money, high interest rates, restraints on spending for social programs, soaring prices for food, failure to stimulate housing, shrinking consumer purchasing power and artificially-created short supplies of farm products would lead to a sharp slump in the second half of 1974.

Each of those conditions exists again today. And with the threat of greatly increased oil prices—which pushed the economy over the edge in 1973—is even more ominous at present.

The current, continuing recession was stopped short of an all-out depression because of programs the labor movement advocated—a greatly-expanded tax cut for low and middle-income people to stimulate the economy; unemployment insurance, inadequate but still a bulwark; a public service jobs program, not enough but better than nothing; and release of some of the funds impounded by the President.

But if the recession renews itself, there is nothing to stop unemployment from feeding on unemployment. The deteriorating unemployment insurance program, already severely weakened as a result of the current recession, would not be adequate to cope with a second downward plunge so close in time. Inflation has not abated and renewed escalation of prices for food and fuel rob workers of their buying power.

The Adminstration contends that inflation is more serious than

recession. Yet it is forcing up the prices of food and fuel, driving up all costs through high interest rates and depriving the federal Treasury of the revenue that jobs for the unemployed would produce.

In short, the Administration has forgotten the history of only last year. And the American people will be condemned to relive that history, unless the Administration quickly changes its policies.

While the delegates will certainly want to address themselves to specific programs to turn the economy toward full employment and full production, it seems to me that the only solution to unemployment is jobs. Since a job is a worker's only hedge against inflation, inflation is best fought when people are employed. Jobs are the solution to poverty, to hunger, to filling the ever-present needs of breadwinners to feed, clothe and shelter their families.

Jobs enable a person to translate legal rights to equality into reality; and, thus, fulfill a commitment laid down in the Declaration of Independence, won in revolution, secured in civil war and finally recognized in law only in our lifetime.

That is also the history of this movement of workers. We must not forget that history when those to whom social progress has always been anathema propose to turn the clock back, to tear apart the institutions society has created to protect its citizens and replace them with the ethics of the marketplace.

And so they attack Social Security. They attack the regulatory agencies that were created when people discovered the marketplace had no ethics. They attack equal employment by unemployment. They attack public education, welfare, public housing, health care programs, food stamps, vocational rehabilitation.

They attack the labor movement, itself, knowing that if the labor movement were to abandon the fight for social justice, that cause would be lost.

They seek to trap the labor movement into defending the status quo, into forgetting what we truly mean when we say—as we have said since Samuel Gompers' time—"More."

The status quo must never be good enough for the labor movement. Similarly, the social programs we defend—sometimes in lonely battle—are not good enough. They were created by fallible people, and they must be improved upon. Social Security has been good for America, but it can be better. Free public education has made America great, but there must be more of it, accessible for more of the young. Medicare and Medicaid, for all their problems, have helped millions of Americans, but now it is time to extend that help to all people through a better program of national health insurance.

Workers' compensation, unemployment insurance, minimum wage, occupational safety and health—each of these has bettered the lot of every worker in America, but they, too, must be improved, strengthened, extended.

The fight for social progress is a never-ending one. We must not tire now in the face of the most relentless attack on progressive social legislation in recent memory.

That leads me to foreign policy. It is axiomatic that if a nation does not keep its word to its own people, then its word to other nations is equally suspect. The government of the United States is not keeping its word to its people.

In this nation's entire 200-year history, it has never suffered more foreign policy reversals than it has in the past year. Indochina, Portugal, India, the Middle East, Helsinki—that is the travelogue of a government that has abandoned the moral leadership of the free world.

It is symptomatic of the depths to which American influence has fallen when the President of the United States—the nation founded on the principles of freedom from oppression—refuses to meet with the Twentieth Century personification of that freedom, Alexander Solzhenitsyn, because it would "look bad" to the Soviet Union, a country founded on terror and oppression.

The American labor movement can be proud that when Alexander Solzhenitsyn came to the United States, he spoke under the auspices of the AFL-CIO. Freedom of association and speech are the bedrocks of a free trade union movement. Workers in the United States fought and died for those freedoms, and we will never surrender them at home or abroad.

Therefore, we believe that the government of the United States—our government—has an inescapable moral obligation to lead the fight for freedom for oppressed peoples. We know that America can not win for other people that which they are not willing to fight for themselves. But we also know that if our government provides the oppressors with the tools of oppression, then the flame of freedom and the yearning for liberty that glows in the hearts of men and women everywhere will be snuffed out.

We ask our government to engage in no wars— hot or cold.

But we insist our government must not cower each time the Kremlin sneezes and must recognize that the needs, wants and aspirations of the American people are superior to and more important than the whims of the Soviet bosses.

We simply ask that the flame of liberty be given a chance to grow. There are enough customers for American grain and other goods without giving it away at bargain basement prices to those who would "bury" us.

Detente is a fraud and a failure. It is a non-policy, because it has no definable goal, no principled base.

For America to choose its course in foreign policy there must be national debate and dialogue. For our part, the American labor movement made a major contribution to that debate by providing a platform for Mr. Solzhenitsyn. That was a positive step, but the dialogue must continue and we must address ourselves to it in this convention.

This biennial convention also gives us the opportunity to assess

the state of the labor movement and how it has fared during the past two difficult years.

In short, the labor movement is in good shape. There is a new strength and unity of purpose that does not express itself in figures on a chart. In terms of political action, the labor movement is stronger than it has ever been. Increasingly, individual unions are developing their own political action machinery. In conjunction with our own political arm, COPE, the labor movement has the single most effective political organization in the country. As a result, compared with the rest of the population, a higher percentage of union members are registered and vote. And they are better informed voters as a result of labor's political education programs.

The labor movement has not lost its will to fight for those in society who can not defend themselves. We have led the fight for important legislation, for jobs, for housing and for protections for all workers.

While our members have suffered greatly as a result of the recession and inflation, their union contracts provided them a basic protection unavailable to the unorganized worker. The massive wage cuts of the 1930s did not recur. And when workers were unemployed, their unemployment insurance, which the labor movement has fought so hard to improve, helped keep body and soul together.

And, then, there are the visible signs of a stronger movement. Our membership has increased, despite the recession. The AFL-CIO has reorganized its structure in the field and the progress in that area has been good. The Public Employee Department has been established providing government workers with a unified voice for their interests. The Labor Studies Center has opened its new campus and expanded its courses for the education of trade union leadership. Several unions are discussing mergers, which is a healthy sign. Minorities and women are increasing their participation within the movement, which augurs well for the future.

But it is not altogether rosy. Old alliances of workers, the civil rights movement and various progressive groups have been strained by economic conditions and weakened by demagogic attacks. But these alliances have endured and will endure, because there are certain basic underpinnings in them that transcend instant disagreements. The employer who would discriminate against black workers would discriminate against all workers. The employer who pollutes the air would also foul the lungs of those who work for him. The companies that would conspire against consumers would also conspire against workers.

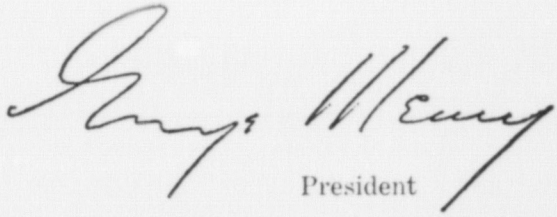
Those traditional foes of a strong labor movement who continue to oppose legislation the labor movement believes is vital—improved unemployment insurance and workers' compensation, stronger enforcement of job safety laws, higher minimum wage

and the like—are also the foes of full civil rights, a healthy environment and protection for consumers.

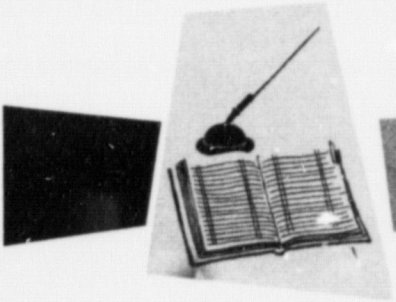
So this convention must resolve to stand by the tested principles of the labor movement as it develops the policies of the AFL-CIO for the next two years.

We approach the future with confidence in our abilities, the courage of our convictions and the knowledge that the labor movement is one institution in society that will never abandon the fight for social justice. We hope that our traditional allies will stand with us.

It is our obligation to help our country build for its tricentennial a nation of justice, compassion and strength—a nation that mirrors its people. It is an obligation we must not shirk.



President



Secretary Treasurer's Report

Financial Report

The financial statements of the AFL-CIO for the last two fiscal years are presented in this section of my report. The statements have been certified to by Main Lafrentz and Company, our independent certified public accountants.

Our assets, liabilities and net worth at the beginning of the two-year period (June 30, 1973) and at the end of our last fiscal year (June 30, 1975) are shown in Statement No. 1. Our net worth increased $1,381,570.48 during the two-year period.

The increase in our net worth is attributable to the excess of income over expenses for the past two years, as summarized in Statement No. 2. In reviewing Statement No. 1, you will note that during the past two years we completed construction of the expansion of the headquarters building and expanded the facilities at the Labor Studies Center Campus. These fixed asset additions involved the expenditure of approximately $3,600,000.00. The funds for those fixed asset additions were in part supplied by the excess of current income over expenses. In addition, we utilized an additional $1,500,000.00 of our line of credit with a Washington, D.C. bank, bringing our total borrowing to $4,000,000.00, and liquidated a portion of our investments.

Details of income and expense items are presented in Statement 2A through 9 of this report. Statement No. 10 summarizes the transactions in the Defense Fund.

A report on the activity in the Special Purposes Fund is presented in Statement No. 11. This fund was used for expenses related to international affairs, contributions, expenses in connection with the passage of favorable or defeat of unfavorable state legislation, and other projects as approved by the Executive Council.

A summary of the receipts and disbursements in connection with an assessment of four cents (4¢) per member per month

for a maximum period of three months as approved by the Executive Council on May 9, 1973, to assist the United Farm Workers in their strike against grape growers, is included in the notes to financial statements. As shown by that summary, a total of $1,662,420.85 was received from that assessment and transmitted to the United Farm Workers Defense Fund.

As a result of the Mid-East War in 1973, great burdens were placed on Histadrut, the Confederation of Labor of Israel. As shown in the footnotes accompanying the financial statements, in order to respond to those needs, the AFL-CIO undertook to raise contributions from its affiliates for Histadrut. Contributions totaling $584,640.00 were received and that amount plus a $50,000.00 contribution from the AFL-CIO Special Purposes Fund was forwarded to Histadrut.

In addition to the financial statements of the AFL-CIO, this section contains the financial report of the Trustees of the AFL-CIO Staff Retirement Plan.

We recognize that our membership is vitally interested in the financial well-being of our federation and believe that the detailed manner in which the financial statements are presented provides them with a comprehensive accounting of our stewardship.

Respectfully submitted,

Secretary-Treasurer

American Federation of Labor and
Congress of Industrial Organizations

We have examined the balance sheet of the General Fund of the American Federation of Labor and Congress of Industrial Organizations as of June 30, 1975, the related statements of income and expenses of the General Fund, and the Defense Fund and Special Purposes Fund statements of income, expenses and balance for the period July 1, 1973 to June 30, 1975. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of the General and related funds of the American Federation of Labor and Congress of Industrial Organizations as of June 30, 1975 and the results of operations for the period July 1, 1973 to June 30, 1975, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Main Lafrentz & Co.

Washington, D.C.
July 11, 1975

STATEMENT NO. 1

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
GENERAL FUND
BALANCE SHEET

ASSETS

	June 30, 1975	June 30, 1973	Increase or Decrease*
Cash in checking account	$ 435,231.85	$ 336,376.49	$ 98,855.36
Investments (at cost)			
Savings accounts and certificates of deposit, banks	145,000.00	645,000.00	500,000.00*
Deposits in savings and loan associations	20,000.00	20,000.00	—0—
Securities of U.S. Government and its agencies, at cost (market value $241,986.88 and $941,241.25)	298,524.54	1,000,368.29	701,843.75*
FHA mortgages	32,520.33	34,994.39	2,474.06*
Participation in notes			
TUC Cooperative Housing Society Limited, Guyana	236,196.92	257,788.28	21,591.36*
Coracrevi Housing Project, Caracas, Venezuela	825,859.65	877,632.02	51,772.37*
Other investments	379,860.15	352,360.15	27,500.00
Per capita taxes, and initiation and reinstatement fees receivable from affiliates	2,167,908.39	2,009,905.06	158,003.33
Loans receivable	260,725.00	214,925.00	45,800.00
Office funds and other receivables			
Office funds and deposits	47,373.40	40,151.48	7,221.92
Advances to employees	18,400.00	29,465.57	11,065.57*
Interest receivable on investments	17,953.65	40,038.82	22,085.17*
Other receivables	59,194.93	42,925.60	16,269.33
Prepaid expenses	36,202.77	79,288.69	43,085.92*
Fixed assets			
Land and building (815 16th Street, N.W., Washington, D.C.) (at cost)			
Land	3,133,244.08	3,133,244.08	—0—
Building (net of accumulated depreciation of $1,720,350.14 and $1,428,667.54)	8,658,453.10	2,776,659.28	5,881,793.82
Construction in progress		5,607,309.00	5,607,309.00*
Furniture and fixtures (net of accumulated depreciation of $1,077,314.12 and $934,056.45)	44,904.66		44,904.66
Land and improvements, Front Royal, Va.	17,966.66	17,966.66	—0—
Equity in Labor Studies Center Campus (at cost)	3,090,886.70	3,051,024.82	3,039,861.88
Investments, held in trust for directly affiliated local unions	32,708.82		32,708.82
Total assets	$22,959,115.60	$20,567,423.68	$2,391,691.92

LIABILITIES AND NET WORTH

	June 30, 1975	June 30, 1973	Increase or Decrease*
Liabilities			
Accounts payable	$ 524,923.18	$ 1,179,650.98	$ 654,727.80*
Notes payable	4,000,000.00	2,500,000.00	1,500,000.00
Accrued salaries and travel expenses	57,145.98	30,676.41	26,469.57
Income and social security taxes and other deductions from employees' earnings	98,170.16	64,377.78	33,792.38
	4,680,239.32	3,774,705.17	905,534.15
Escrow funds held in trust for inactive local unions and central bodies	20,704.07	6,230.74	14,473.33
Funds held in trust for directly affiliated local unions	32,708.82		32,708.82
Due to United Farm Workers Defense Fund		279,794.69	279,794.69*
Due to Defense Fund (Statement No. 10)	982,824.77	889,967.37	92,857.40
Due to Special Purposes Fund (Statement No. 11)	2,039,992.38	1,795,649.95	244,342.43
Total liabilities	7,756,469.36	6,746,347.92	1,010,121.44
Net worth, General Fund			
Represented by the excess of assets over liabilities	15,202,646.24	13,821,075.76	1,381,570.48
TOTAL LIABILITIES AND NET WORTH	$22,959,115.60	$20,567,423.68	$2,391,691.92

The accompanying notes are an integral part of these financial statements.

STATEMENT NO. 2

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
STATEMENT OF INCOME AND EXPENSES

GENERAL FUND

	For Details Refer to Statement Indicated	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975	July 1, 1973 to June 30, 1975
Income				
Per capita taxes from National and International Unions and Organizing Committee	(No. 3)	$15,402,434.30	$15,890,460.67	$31,292,894.97
Per capita taxes, initiation and reinstatement fees from Local Unions		1,065,223.01	1,153,844.54	2,219,067.55
Dues from Central Bodies		9,489.00	21,201.66	30,690.66
AFL-CIO News		45,745.18	46,747.18	92,492.36
Sales of educational and organizational supplies		51,057.05	60,799.36	111,856.41
Income from investments		190,680.52	134,610.77	325,291.29
Data processing services		195,609.06	269,739.04	465,348.10
Rental income		187,827.69	341,233.24	529,060.93
Other		74,546.49	132,785.75	207,332.24
Total income		17,222,612.30	18,051,422.21	35,274,034.51
Expenses				
National and International Unions (including Organizing Drives)	(No. 4)	9,000.00	9,000.00	18,000.00
Regional offices	(No. 5)	3,389,130.18	3,215,520.70	6,604,650.88
Headquarters				
Administrative departments	(No. 6)	2,004,433.29	2,148,071.46	4,152,504.75
Other departments and committee	(No. 7)	6,192,828.06	6,819,920.22	13,012,748.28
Other general expenses	(No. 8)	4,426,938.21	4,912,106.74	9,339,044.95
Directly affiliated Locals and Central Bodies	(No. 9)	389,369.55	376,145.62	765,515.17
Total expenses		16,411,699.29	17,480,764.74	33,892,464.03
EXCESS OF INCOME OVER EXPENSES		$ 810,913.01	$ 570,657.47	$ 1,381,570.48

The accompanying notes are an integral part of these financial statements.

STATEMENT NO. 2A

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
SUPPLEMENTAL STATEMENT OF EXPENSES BY CATEGORIES

GENERAL FUND

	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Salaries	$ 7,417,512.35	$ 7,816,698.69
Employees' pension and retirement plan	1,324,735.30	1,415,682.92
Employees' life insurance and medical plans	574,266.50	647,535.75
Payroll taxes	307,488.89	349,162.98
Workmen's compensation insurance	22,972.40	29,957.37
Travel expenses	1,182,565.71	1,156,097.51
Telephone and telegraph	165,599.20	181,338.90
Printing	317,379.02	354,291.08
Subscriptions nd books	52,694.49	51,382.85
Office supplies and expense, National office	309,411.07	405,102.74
Postage and mailing	268,126.01	222,997.84
COPE field offices expenses	32,366.39	29,146.50
Regional offices rent, supplies, etc.	207,739.17	214,385.35
General insurance	13,559.41	14,681.27
Conference expense	144,349.36	151,270.83
Convention expense	244,437.82	
Exhibits	8,097.34	3,689.80
Interest expense	239,644.73	315,565.51
Attorneys' fees and expenses	186,756.55	145,368.71
Consultants' fees and expenses	21,071.15	(741.32)
Other taxes	19,101.70	28,425.51
Headquarters building expenses	647,870.51	845,925.80
Depreciation—furniture, fixtures and equipment	77,148.97	94,437.43
Rental equipment	210,253.11	252,192.57
Radio programs	23,545.14	25,887.69
Recordings	2,972.57	4,384.80
Television programs	1,380.39	1,371.20
Films and projectors	14,805.04	2,822.74
Newspaper costs (AFL-CIO News)	297,068.18	332,803.45
Magazine costs (Federationist)	177,581.37	204,518.49
Pamphlets	129,712.73	138,187.35
Labor Studies Center	550,000.00	900,000.00
National and International Union subsidies and other expenses	9,000.00	9,000.00
Directly affiliated Locals and Central Bodies subsidies	301,126.80	277,570.90
Other expenses	16,768.84	26,559.78
Contributions to Education Fund—COPE	650,000.00	600,000.00
Matching funds for State political education activity	99,998.40	99,165.08
Contributions to AFL-CIO auxiliaries	14,250.00	15,000.00
Scholarship programs	15,100.00	4,750.00
Other	113,242.68	114,146.67
Totals	$16,411,699.29	$17,480,764.74

STATEMENT NO. 3

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
STATEMENT OF PER CAPITA TAXES AND ASSESSMENTS
FROM NATIONAL AND INTERNATIONAL UNIONS AND ORGANIZING COMMITTEE

	Per Capita		Assessment on Behalf of United Farm Workers	Total Received	
	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975	July 1 to Dec. 31, 1973	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Actors and Artistes of America, Associated	$ 86,565.40	$ 91,135.30	$ 8,353.04	$ 94,918.44	$ 91,135.30
Air Line Dispatchers Association	252.00	108.00	25.20	277.20	108.00
Air Line Pilots Association	52,971.30	55,123.80	5,169.00	58,140.30	55,123.80
Aluminum Workers International Union	33,488.80	32,656.90	1,877.04	35,365.84	32,656.90
Asbestos Workers, International Association of Heat and Frost Insulators and	15,000.00	11,250.00	1,500.00	16,500.00	11,250.00
Bakery and Confectionery Workers International Union of America	150,250.60	145,773.40	9,873.12	160,123.72	145,773.40
Barbers, Hairdressers and Cosmetologists' International Union of America, The Journeymen	53,530.10	48,122.78	3,532.52	57,062.62	48,122.78
Boilermakers', Iron Ship Builders, Blacksmiths, Forgers and Helpers, International Brotherhood of	142,368.30	151,324.90	4,703.76	147,072.06	151,324.90
Boot and Shoe Workers' Union	40,320.00	40,320.00	1,400.00	41,720.00	40,320.00
Brewery, Flour, Cereal, Soft Drink and Distillery Workers, International Union of United	16,000.00	—0—	3,200.60	19,200.00	—0—
Bricklayers, Masons and Plasterers International Union of America	171,461.00	172,471.20	11,389.12	182,850.12	172,471.20
Brick and Clay Workers of America, The United	19,551.90	18,887.00	1,223.00	20,774.90	18,887.00
Broadcast Employees and Technicians, National Association of	5,484.00	5,484.00	365.60	5,849.60	5,484.00
Carpenters and Joiners of America, United Brotherhood of	840,000.00	840,000.00	28,000.00	868,000.00	840,000.00

STATEMENT NO. 3 (Cont'd)

	Per Capita		Assessment on Behalf of United Farm Workers	Total Received	
	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975	July 1 to Dec. 31, 1973	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Cement, Lime and Gypsum Workers International Union, United	35,832.60	35,358.90	2,410.20	38,242.80	35,358.90
Chemical Workers Union, International	73,992.40	68,034.60	5,292.84	79,285.24	68,054.60
Cigarmakers' International Union of America	2,763.30	—0—	285.36	3,048.66	—0—
Clothing Workers of America, Amalgamated	264,318.70	254,458.70	10,183.44	274,502.14	254,458.70
Communications Workers of America	536,540.10	585,168.11	905.16	537,445.26	585,168.11
Coopers International Union of North America	1,839.60	1,652.10	198.24	2,037.84	1,652.10
Distillery, Rectifying, Wine and Allied Workers' International Union of America	20,902.80	20,734.90	—0—	20,902.80	20,734.90
Dolls, Toys, Playthings, Novelties and Allied Products of the United States and Canada, AFL-CIO International Union of	30,488.80	36,976.40	2,916.80	33,405.60	36,976.40
Electrical, Radio and Machine Workers, International Union of	282,086.50	323,025.60	10,000.00	292,086.50	323,025.60
Electrical Workers, International Brotherhood of	1,036,508.80	1,020,980.00	34,617.12	1,071,125.92	1,020,980.00
Elevator Constructors, International Union of	14,520.00	16,120.00	1,452.00	15,972.00	16,120.00
Engineers, International Union of Operating	360,000.00	360,000.00	12,000.00	372,000.00	360,000.00
Farm Workers of America, United	14,400.00	15,600.00	—0—	14,400.00	15,600.00
Fire Fighters, International Association of	154,950.00	156,000.00	12,660.00	167,610.00	156,000.00
Firemen and Oilers, International Brotherhood of	47,352.40	49,120.90	3,568.56	50,920.96	49,120.90
Flight Engineers' International Association	2,040.00	2,040.00	204.00	2,244.00	2,040.00
Furniture Workers of America, United	36,868.40	29,500.40	2,245.48	39,113.88	29,500.40
Garment Workers of America, United	38,400.00	38,400.00	2,560.00	40,960.00	38,400.00
Garment Workers Union, International Ladies'	435,741.60	435,741.60	14,524.72	450,266.32	435,741.60
Glass and Ceramic Workers of North America, United	36,863.90	31,929.50	2,437.16	39,301.06	31,929.50
Glass Bottle Blowers' Association of the United States and Canada	90,000.00	90,000.00	6,000.00	96,000.00	90,000.00
Glass Cutters League of America, Window	722.40	566.40	72.24	794.64	566.40

STATEMENT NO. 3 (Cont'd)

	Per Capita		Assessment on Behalf of United Farm Workers	Total Received	
	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975	July 1 to Dec. 31, 1973	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Glass Workers Union, American Flint	31,546.53	43,288.60	—0—	31,546.53	43,288.60
Government Employees, American Federation of	363,926.50	272,075.70	31,366.20	395,292.70	272,075.70
Grain Millers, American Federation of	33,471.70	35,077.40	1,976.20	35,447.90	35,077.40
Granite Cutters International Association of America, The	1,662.40	1,446.50	173.60	1,836.00	1,446.50
Graphic Arts International Union	113,756.20	110,503.20	3,813.56	117,569.76	110,503.20
Hatters, Cap and Millinery Workers International Union, United	15,950.00	8,700.00	1,740.00	17,690.00	8,700.00
Horse Shoers of United States and Canada, International Union of Journeymen	468.00	468.00	46.80	514.80	468.00
Hotel and Restaurant Employees' and Bartenders' International Union	509,746.60	505,260.60	51,131.76	560,878.36	505,260.60
Industrial Workers of America, International Union, Allied	115,467.30	111,121.60	7,223.32	122,690.62	111,121.60
Insurance Workers International Union, AFL-CIO	27,081.20	26,327.80	1,846.32	28,927.52	26,327.80
Iron Workers, International Association of Bridge and Structural	224,000.00	192,000.00	19,200.00	243,200.00	192,000.00
Jewelry Workers Union, International	13,202.80	10,649.90	745.56	13,948.36	10,649.90
Laborers' International Union of North America	570,000.00	570,000.00	19,000.00	589,000.00	570,000.00
Lathers, International Union of Wood, Wire and Metal	16,100.00	14,400.00	1,560.00	17,660.00	14,400.00
Laundry and Dry Cleaning International Union, AFL-CIO	24,768.60	20,651.60	1,555.80	26,324.40	20,651.60
Leather Goods, Plastics and Novelty Workers Union, International	47,070.00	47,070.00	1,569.00	48,639.00	47,070.00
Leather Workers International Union of America	2,405.50	1,044.50	219.16	2,624.66	1,044.50

STATEMENT NO. 3 (Cont'd)

	Per Capita		Assessment on Behalf of United Farm Workers	Total Received	
	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975	July 1 to Dec. 31, 1973	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Letter Carriers, National Association of	181,582.80	136,187.10	6,052.76	187,635.56	136,187.10
Longshoremen's Association AFL-CIO, International	70,815.20	74,014.50	4,723.12	75,538.32	74,014.50
Machinists and Aerospace Workers, International Association of	620,578.00	1,098,223.00	56,671.12	677,249.12	1,098,223.00
Maintenance of Way Employes, Brotherhood of	84,975.20	85,707.60	5,695.28	90,670.48	85,707.60
Marble, Slate and Stone Polishers, Rubbers and Sawyers, Tile and Marble Setters Helpers and Terrazo Helpers, International Association of	16,802.10	7,200.30	960.12	17,762.22	7,200.30
Marine and Shipbuilding Workers of America, Industrial Union of	26,706.90	27,902.70	2,290.64	28,997.54	27,902.70
Marine Engineers' Beneficial Association, National	24,480.00	24,480.00	816.00	25,296.00	24,480.00
Maritime Union of America, National	42,000.00	38,500.00	1,400.00	43,400.00	38,500.00
Meat Cutters and Butcher Workmen of North America, Amalgamated	532,425.80	550,522.50	54,707.80	87,133.60	550,522.50
Mechanics Educational Society of America	30,000.00	26,500.00	2,000.00	32,000.00	26,500.00
Metal Polishers, Buffers, Platers and Allied Workers, AFL-CIO, International	12,084.10	10,514.50	1,058.64	13,142.74	10,514.50
Molders and Allied Workers Union, AFL-CIO, International	60,000.00	60,000.00	4,000.00	64,000.00	60,000.00
Musicians, American Federation of	255,172.00	128,639.70	8,311.72	263,483.72	128,639.70
Newspaper Guild, The	31,503.00	29,088.40	2,164.00	33,667.00	29,088.40
Office and Professional Employees International Union	88,497.30	88,900.40	6,007.52	94,504.82	88,900.40
Oil, Chemical and Atomic Workers International Union	174,112.60	174,637.30	11,512.84	185,625.44	174,637.30
Painters and Allied Trades of the United States and Canada, International Brother-					

STATEMENT NO. 3 (Cont'd)

	Per Capita		Assessment on Behalf of United Farm	Total Received	
	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975	Workers July 1 to Dec. 31, 1973	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
hood of	208,325.00	176,275.00	6,410.00	214,735.00	176,275.00
Paperworkers International Union, United	435,299.80	328,905.20	30,307.80	465,607.60	328,905.20
Pattern Makers League of North America	12,000.00	12,000.00	800.00	12,800.00	12,000.00
Plasterers' and Cement Masons' International Association of the United States and Canada, Operative	74,400.00	60,000.00	8,160.00	82,560.00	60,000.00
Plumbing and Pipe Fitting Industry of the United States and Canada, United Association of Journeymen and Apprentices of the	273,360.00	273,360.00	9,112.00	282,472.00	273,360.00
Porters, Brotherhood of Sleeping Car	600.00	—0—	—0—	600.00	—0—
Postal Workers Union, American	291,754.40	277,783.70	19,417.32	311,171.72	277,783.70
Pottery and Allied Workers, International Brotherhood of	19,708.80	20,352.20	656.96	20,365.76	20,352.20
Printers, Die Stampers and Engravers Union of North America, International Plate	240.00	480.00	—0—	240.00	480.00
Printing and Graphic Communications Union, International	93,888.50	126,189.20	—0—	93,888.50	126,189.20
Printing Pressmen's and Assistants' Union of North America, International	30,784.90	—0—	4,116.00	34,900.90	—0—
Professional and Technical Engineers, International Federation of	16,370.50	16,134.26	1,062.92	17,433.42	16,134.26
Radio Association, American	996.00	996.00	33.20	1,029.20	996.00
Railway Carmen of the United States and Canada, Brotherhood of	77,382.00	62,238.30	6,832.60	84,214.60	62,238.30
Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, Brotherhood of	147,872.76	193,120.80	18,212.16	166,084.86	193,120.80
Railway Supervisors Association, American	6,897.80	7,127.90	438.04	7,335.84	7,127.90
Retail Clerks International Association	708,467.30	671,145.78	46,354.68	754,821.98	671,145.78
Retail, Wholesale and Department Store Union	115,640.80	159,889.00	—0—	115,640.80	159,889.00

STATEMENT NO. 3 (Cont'd)

	Per Capita		Assessment on Behalf of United Farm Workers	Total Received	
	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975	July 1 to Dec. 31, 1973	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Roofers, Damp and Waterproof Workers Association, United Slate, Tile and Composition	32,309.60	33,265.80	2,129.56	34,439.16	33,265.80
Rubber, Cork, Linoleum and Plastic Workers of America, United	226,514.50	206,223.40	19,971.36	246,485.86	206,223.40
School Administrators and Supervisors Organizing Committee, AFL-CIO	7,169.70	9,192.80	451.20	7,620.90	9,192.80
Seafarers' International Union of North America	88,275.00	104,325.00	—0—	88,275.00	104,325.00
Service Employees International Union, AFL-CIO	565,542.70	530,211.80	20,526.56	586,069.26	530,211.80
Sheet Metal Workers' International Association	144,000.00	144,000.00	4,800.00	148,800.00	144,000.00
Shoe Workers of America, United	24,499.60	30,605.90	—0—	24,499.60	30,605.90
Siderographers, International Association of	—0—	28.80	—0—	—0—	28.80
Signalmen of America, Brotherhood Railroad	10,197.10	12,484.30	1,105.72	11,302.82	12,484.30
Stage Employes and Moving Picture Machine Operators of the United States and Canada, International Alliance of Theatrical	60,062.40	60,062.40	2,000.00	62,062.40	60,062.40
State, County and Municipal Employees, American Federation of	609,651.70	787,424.50	24,000.00	633,651.70	787,424.50
Steelworkers of America, United	1,302,562.70	1,263,384.90	85,062.04	1,387,624.74	1,263,384.90
Stereotypers, Electrotypers and Platemakers Union of North America, International	2,749.70	—0—	513.00	3,262.70	—0—
Stove, Furnace and Allied Appliance Workers of North America	3,600.00	3,600.00	360.00	3,960.00	3,600.00
Teachers, American Federation of	580,552.40	603,839.30	44,696.68	625,249.08	603,839.30
Telegraph Workers, United	15,588.40	13,547.20	1,128.16	16,716.56	13,547.20
Textile Workers of America, United	46,108.80	41,148.30	2,970.08	49,078.88	41,148.30
Textile Workers Union of America	136,363.00	121,488.50	9,064.88	145,427.88	121,488.50
Tobacco Workers International Union	31,228.60	31,228.90	1,891.28	33,119.88	31,228.90

STATEMENT NO. 3 (Cont'd)

	Per Capita		Assessment on Behalf of United Farm	Total Received	
	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975	Workers July 1 to Dec. 31, 1973	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Train Dispatchers Association, American	3,360.00	3,360.00	112.00	3,472.00	3,360.00
Transit Union, Amalgamated	106,724.30	108,165.60	3,492.60	110,216.90	108,165.60
Transport Workers Union of America	114,000.00	114,000.00	7,600.00	121,600.00	114,000.00
Transportation Union, United	163,388.20	159,587.70	10,802.28	174,190.48	159,587.70
Typographical Union, International	91,625.00	85,173.90	6,233.60	97,858.60	85,173.90
Upholsterers' International Union of North America	60,000.00	60,000.00	2,000.00	62,000.00	60,000.00
Utility Workers Union of America	60,160.50	64,765.20	5,887.72	66,048.22	64,765.20
Woodworkers of America, International	64,529.50	62,305.90	4,393.36	68,922.86	62,305.90
Yardmasters of America, Railroad	4,800.00	4,800.00	160.00	4,960.00	4,800.00
Total received	16,576,285.93	16,759,386.23	$929,949.32	$17,506,235.25	$16,759,386.23
Accrual adjustments					
Add					
Per capita taxes receivable from National and International Unions and Organizing Committee at end of period	1,290,809.00	1,556,916.39			
Less					
Per capita taxes receivable from National and International Unions and Organizing Committee at beginning of period	1,364,486.74	1,290,809.00			
Total per capita taxes, National and International Unions and Organizing Committee	$16,502,608.19	$17,025,493.62			
Allocation of total per capita taxes					
General Fund	$15,402,434.30	$15,890,460.67			
Special Purposes Fund	1,100,173.89	1,135,032.95			
	$16,502,608.19	$17,025,493.62			

The accompanying notes are an integral part of these financial statements.

STATEMENT NO. 4

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
STATEMENT OF NATIONAL AND INTERNATIONAL UNION EXPENSES
(INCLUDING ORGANIZING DRIVES)

	Subsidies	
	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Farm Workers of America, United	$9,000.00	$9,000.00

STATEMENT NO. 5

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
STATEMENT OF REGIONAL OFFICES' EXPENSES

	Totals		Salaries		Travel Expenses		Office Maintenance	
Region	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
I Chicago	$ 580,885.06	$ 494,968.59	$ 467,902.08	$ 391,264.11	$ 72,245.74	$ 67,689.53	$ 40,737.24	$ 36,014.95
II Tulsa	477,678.36	450,310.01	366,146.40	345,014.86	90,842.69	93,153.44	20,689.27	12,141.71
III Baltimore	367,894.73	357,933.29	289,381.85	270,887.82	57,467.42	50,547.97	26,045.46	36,497.50
IV Fort Worth	284,402.80	280,135.80	227,216.44	219,785.53	40,[illegible]73	35,427.97	16,619.63	24,922.30
V Atlanta	499,983.86	473,412.74	393,052.04	372,245.41	87,35[illegible]4	80,196.53	19,580.48	20,970.80
VI San Francisco	354,451.10	352,675.35	272,582.52	272,959.27	47,841.97	45,554.29	34,026.61	34,161.79
VII New York	292,056.86	274,661.49	215,998.57	193,287.70	38,731.33	44,673.93	37,326.96	36,699.86
VIII Boston	203,378.12	231,063.76	169,022.87	19[illegible],230.60	21,641.73	26,856.72	12,713.52	12,976.44
	3,060,730.89	2,915,161.03	2,401,302.77	2,256,675.30	451,688.95	444,100.38	207,739.17	214,385.35
Automobile rentals	303,377.49	270,946.83			303,377.49	270,946.83		
Public transportation	22,221.16	25,965.11			22,221.16	25,965.11		
Moving expenses—organizers	2,800.64	3,447.73			2,800.64	3,447.73		
	$3,389,130.18	$3,215,520.70	$2,401,302.77	$2,256,675.30	$780,088.24	$744,460.05	$207,739.17	$214,385.35

The accompanying notes are an integral part of these financial statements.

STATEMENT NO. 6

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
STATEMENT OF HEADQUARTERS EXPENSES, ADMINISTRATIVE DEPARTMENTS

	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Executive offices		
Salaries	$ 555,673.41	$ 545,152.23
Travel expenses	32,887.[illegible]	39,174.98
Printing	419.1[illegible]	18,031.65
Supplies	740.83	427.76
Books and subscriptions	754.38	723.21
Other	943.66	1,706.03
Total executive offices	591,418.84	605,215.86
Accounting		
Salaries	245,19[illegible].47	264,535.28
Travel expenses	1,454.93	1,012.56
Printing	1,718.89	1,333.87
Supplies	2,476.14	5,186.62
Other	262.35	182.74
Total accounting	251,109.78	272,251.07
Information Systems and Data Processing		
Salaries	195,519.10	235,507.58
Travel expenses	844.34	4,081.61
Printing	134.40	52.61
Rental equipment	177,803.70	218,330.72
Supplies	38,129.87	68,589.49
Books and subscriptions	50.25	9.00
Other	579.04	399.02
Total information systems and data processing	413,060.70	526,970.03
Library		
Salaries	37,582.00	56,520.94
Travel expenses	227.19	1,229.56
Supplies	3,503.36	2,361.48
Books and subscriptions	7,005.20	7,619.62
Other	86.77	72.46
Total library	48,404.52	67,804.06
File room and switchboard		
Salaries	59,915.85	49,856.70
Supplies	154.58	14.07
Other	17.45	
Total file room and switchboard	60,087.88	49,870.77
Reproduction and mailing		
Salaries	178,125.29	184,954.86
Printing	1,925.89	2,711.42
Rental equipment	32,449.41	33,861.85

STATEMENT NO. 6 (Cont'd)

	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Postage	199,394.66	164,056.74
Supplies	46,194.53	33,231.15
Other	1,146.19	1,313.73
Total reproduction and mailing	459,235.97	420,129.75
Stock room		
Salaries	99,631.89	128,670.73
Printing	504.72	792.54
Postage	32,038.08	26,834.68
Supplies	48,564.60	49,429.89
Other	376.31	102.08
Total stock room	181,115.60	205,829.92
Total headquarters expenses, administrative departments	$2,004,433.29	$2,148,071.46

The accompanying notes are an integral part of these financial statements.

STATEMENT NO. 7

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS STATEMENT OF HEADQUARTERS EXPENSES, OTHER DEPARTMENTS AND COMMITTEE

	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Organization and field services		
Salaries	$ 103,581.20	$ 232,888.25
Travel expenses	11,627.44	39,764.34
Printing	290.22	6,354.38
Subscriptions	1,402.68	1,811.87
Supplies		1,877.21
Pamphlets	3,491.32	3,751.41
Conferences	307.88	
Other	2,028.95	761.16
Total organization and field services	122,729.69	287,208.62
Public relations		
Salaries	209,775.50	212,230.39
Travel expenses	11,198.93	3,681.59
Printing	912.90	6,597.83
Subscriptions	346.93	106.50
Radio programs	23,545.14	25,887.69
Recordings	2,572.57	4,384.80
Television programs	1,380.39	1,371.20
Pamphlets	4,782.82	80.00
Other	5,691.55	5,571.95
Total public relations	260,606.73	259,911.95
Publications		
Salaries	205,082.94	218,334.70
Travel expenses	7,597.64	8,653.78
Printing	27,227.27	35,156.61
Subscriptions	3,209.53	4,356.67
Supplies	982.57	144.06
Newspaper costs (AFL-CIO News)	297,068.18	332,803.45
Magazine costs (Federationist)	177,581.37	204,518.49
Pamphlets	8,752.68	24,560.49
Other	1,537.90	3,479.07
Total publications	729,040.08	832,007.32
Research		
Salaries	357,895.57	368,313.53
Travel expenses	14,290.38	13,060.12
Printing	24,785.33	28,734.68
Subscriptions	8,905.46	11,511.64
Pamphlets	10,137.95	7,489.56
Conferences	410.13	2,638.14
Consultants' fees and expenses	5,416.58	16,014.10
Other	2,485.70	2,708.72
Total research	424,327.56	450,470.49

STATEMENT NO. 7 (Cont'd)

	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Education		
Salaries	236,265.02	235,613.96
Travel expenses	12,916.56	14,738.21
Printing	3,161.79	6,115.19
Subscriptions	2,509.11	942.75
Supplies	608.46	
Films and projectors	14,805.04	2,822.7[illegible]
Pamphlets	27,369.56	25,947.49
Conferences	2,647.10	105.45
Labor Studies Center	550,000.00	900,000.00
Scholarship program	15,100.00	4,750.00
Other	1,065.96	3,991.52
Total education	866,448.60	1,195,087.31
Social insurance		
Salaries	197,449.04	209,446.20
Travel expenses	13,854.86	11,646.72
Printing	5,138.26	4,392.42
Subscriptions	3,659.92	2,963.44
Pamphlets	11,432.66	6,748.40
Conferences	5,238.27	2,990.15
Other	865.00	1,562.50
Total social insurance	237,638.01	239,749.83
Legislative		
Salaries	333,941.53	376,849.07
Travel expenses	10,922.37	12,278.84
Printing	72,042.24	1,561.18
Subscriptions	4,276.77	5,082.02
Pamphlets	17,344.89	25,782.67
Other	7,704.51	6,569.35
Total legislative	446,232.31	428,123.13
Legal		
Salaries	49,622.00	53,977.43
Travel expenses	2,099.28	1,821.09
Subscriptions	4,063.39	4,891.96
Attorneys' fees and expenses	186,756.55	145,368.71
Other	38.95	144.15
Total legal	242,580.77	206,203.34
International affairs		
Salaries	325,271.34	291,994.82
Travel expenses	36,552.64	48,998.45
Printing	41,695.81	121,824.08
Subscriptions	296.37	375.94
Pamphlets	3,167.51	5,480.50
Conferences	12,076.48	4,317.62
Consultants' fees and expenses		6,899.15
Other	8,990.27	11,678.80
Total international affairs	428,050.42	491,569.36

STATEMENT NO. 7 (Cont'd)

	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Urban affairs		
Salaries	157,029.58	131,818.20
Travel expenses	8,926.37	1,406.98
Printing	206.75	7,908.69
Subscriptions	1,037.80	971.09
Supplies	5.00	15.75
Pamphlets		4,012.26
Conferences	(314.80)	40.00
Other	11,613.29	963.75
Total urban affairs	178,503.99	147,136.72
Civil rights		
Salaries	153,384.05	147,736.20
Travel expenses	31,869.40	25,574.95
Printing	1,234.06	1,813.44
Subscriptions	230.45	226.75
Office expenses	4,638.33	6,303.41
Pamphlets	76.56	1,976.63
Conferences	800.00	460.20
Other	,764.79	2,473.03
Total civil rights	,697.64	186,564.61
Community services		
Salaries	129,638.78	169,056.33
Travel expenses	11,555.35	13,387.50
Printing	2,354.74	5,094.90
Subscriptions	338.20	178.27
Supplies	29.85	
Pamphlets	6,483.10	13,880.11
Conferences	569.19	3,325.92
Other	7,119.16	6,768.22
Total community services	158,088.37	211,691.25
Committee on Political Education		
Salaries	764,483.65	870,065.03
Travel expenses	167,108.47	147,288.88
Printing	115,282.57	94,986.99
Subscriptions	3,532.76	3,215.00
Supplies	9,902.32	11,052.28
Telephone and telegraph	13,631.48	13,982.93
Postage	36,693.27	32,106.42
Field offices	32,366.39	29,146.50
Consultants' fees and expenses	8,000.00	(15,654.57)
Pamphlets	1,447.30	
Educational Fund	650,000.00	600,000.00
Matching funds for State political education activity	99,998.40	99,165.08
Other	1,437.28	(1,158.25)
Total Committee on Political Education	1,903,883.89	1,884,196.29
Total headquarters expenses, other departments	$6,192,828.06	$6,819,920.22

The accompanying notes are an integral part of these financial statements.

STATEMENT NO. 8

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS STATEMENT OF HEADQUARTERS EXPENSES, OTHER GENERAL EXPENSES

	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Employee's pension and retirement plan	$1,324,735.30	$1,415,682.92
Employees' life insurance and medical plans	574,266.50	647,535.75
Travel expenses	12,111.43	10,613.32
Payroll taxes	307,488.89	349,162.98
Other taxes	19,101.70	28,425.51
Telephone and telegraph	151,967.72	167,355.97
Printing	15,537.62	10,499.11
Pamphlets	31,339.26	16,353.16
Exhibits	8,097.34	3,689.80
Books and subscriptions	11,075.29	6,397.12
General office supplies and expense	153,480.63	226,469.57
General insurance	13,559.41	14,681.27
Workmen's compensation insurance	22,972.40	29,957.37
Conference expense	122,614.65	137,393.35
Convention expense	244,437.82	
Consultants' fees and expenses	7,654.57	(8,000.00)
Interest expense	239,644.73	315,565.51
AFL-CIO Auxiliaries		
Salaries	11,608.00	12,932.60
Contributions	14,250.00	15,000.00
AFL-CIO Mortgage Investment Trust		
Salaries		46,997.12
Other		271.83
Photographic services		
Salaries		3,805.30
Other		686.22
Depreciation—furniture, fixtures and equipment	77,148.97	94,437.43
Headquarters building		
Salaries	358,487.87	456,369.14
Light, heat and power	131,113.49	178,165.50
Taxes	185,975.78	174,164.68
Insurance	9,123.88	13,326.59
Maintenance	237,550.82	272,692.97
Depreciation	84,106.54	207,576.06
Miscellaneous	57,487.60	63,898.59
Totals	$4,426,938.21	$4,912,106.74

The accompanying notes are an integral part of these financial statements.

STATEMENT NO. 9

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS STATEMENT OF DIRECTLY AFFILIATED LOCALS AND CENTRAL BODIES EXPENSES

	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Auditing	$ 51,048.50	$ 56,396.80
Salaries	14,431.91	13,163.98
Travel expenses	2,806.38	329.49
Printing	3,187.12	2,124.67
Pamphlets	9,791.92	19,421.09
Organizational supplies	6,444.64	7,107.04
Bond premiums	28.76	30.10
Per capita taxes	301,126.80	277,570.90
Subsidies	503.52	1.55
Other	$ 389,369.55	$ 376,145.62
Totals		

The accompanying notes are an integral part of these financial statements.

STATEMENT NO. 10

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS STATEMENT OF DEFENSE FUND INCOME, EXPENSES AND BALANCES

	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Defense Fund balance, beginning of period	$ 889,967.37	$ 944,791.39
Add		
Per capita taxes from directly affiliated Locals allocated to Fund (10¢ of member dues per month	115,019.02	125,808.38
Strike and lock-out benefits refunded	20,730.00	13,625.00
	1,025,716.39	1,084,224.77
Deduct		
Disbursements to Local Unions to sustain authorized strikes or lockouts (at $20.00 per week per eligible member for the period July 1 to October 31, 1973 and $25.00 per week for the period November 1, 1973 to June 30, 1975)	80,925.00	101,400.00
Defense Fund balance, end of period (Note 1)	$ 944,791.39	$ 982,824.77

Note 1: The Defense Fund is for Local Unions directly affiliated with the AFL-CIO. Defense Fund receipts and disbursements are recorded in the General Fund of the Organization. Therefore, the Defense Fund balance of $982,824.77 at June 30, 1975, represents a liability of the General Fund and is reflected as such in the balance sheet of the General Fund (Statement No. 1).

The accompanying notes are an integral part of these financial statements.

STATEMENT NO. 11

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
STATEMENT OF SPECIAL PURPOSES FUND INCOME, EXPENSES AND BALANCES

	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Income		
Per capita taxes from National and International Unions and Organizing Committee (Statement No. 3)	$1,100,173.89	$1,135,032.95
Interest	5,829.37	7,004.38
Total income	1,106,003.26	1,142,037.33
Expenses		
International affairs		
Inter-American Regional Organization	90,029.00	106,000.00
International offices and delegate expenses	68,896.35	41,436.86
National Health Security Program	12,320.39	
Special expense—State legislation		7,562.31
Bicentennial Programs—Labor Day		500.00
Contributions		
African-American Labor Center	130,000.00	125,000.00
African-American Labor Center—Impact Projects	50,000.00	50,000.00
African-Asian Institute—Histadrut	9,000.00	9,000.00
American Institute for Free Labor Development	200,000.00	200,000.00
American Institute for Free Labor Development—Impact Projects	10,063.12	33,906.15
A. Philip Randolph Institute	32,500.00	60,000.00
Asian-American Free Labor Institute	45,496.00	57,500.00
Asian-American Free Labor Institute—Impact Projects	29,300.00	22,938.00
Assembly of Captive European Nations, Inc.	1,000.00	1,000.00
Atlantic Council of the United States, Inc.	1,000.00	2,000.00
C.A.R.E.	2,500.00	2,500.00
The Christophers		1,000.00
City of Hope	1,000.00	
Clergy Economic Education Foundation	5,000.00	
Committee for National Health Insurance	50,000.00	50,000.00
Confederacion de Trabajadores del Peru	1,000.00	
Conference on Economic Progress	12,000.00	12,000.00
Consumer Federation of America	5,000.00	5,000.00
District of Columbia Lung Association		100.00
District of Columbia Tuberculosis and Respiratory Disease Association	100.00	
Energy Policy Task Force	5,000.00	5,000.00
Federacion de Sindicatos de Trabajadores Nortenos de Honduras (Hurricane Fifi Relief)		10,000.00

STATEMENT NO. 11 (Cont'd)

	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Foundation for Religious Action in the Social and Civil Order		1,000.00
Freedom House		1,000.00
Fu-jen Catholic University Foundation	1,000.00	
Greater New York Council Boy Scouts of America		1,000.00
Harry S. Truman Library Institute	25,000.00	
Histadrut	50,000.00	
1973 Hope Ball	2,000.00	
Icelandic Federation of Labour		1,000.00
International Rescue Committee	1,000.00	1,000.00
Israel Histadrut Campaign		500.00
Jewish Labor Committee	10,000.00	10,000.00
Joint Committee on Library Services to Labor Groups		500.00
Joint Council on Economic Education	15,000.00	15,000.00
Labor Council for Latin American Advancement	12,000.00	24,000.00
L.B.J. Memorial Grove		5,000.00
Leadership Conference on Civil Rights		10,000.00
League for Industrial Democracy	15,000.00	15,000.00
Mary E. Seitzer Memorial Fund	500.00	
Meridian House International	500.00	1,000.00
Murray-Green Award—Hubert H. Humphrey	5,000.00	
Murray-Green Award—Lyndon B. Johnson	5,000.00	
National Assembly of Voluntary Health and Social Welfare Organization	5,000.00	5,000.00
National Bureau of Economic Research, Inc.	750.00	
National Captive Nations Committee, Inc.		1,000.00
National Conference on International Teacher Exchange		100.00
National Council of Negro Women, Inc.		1,000.00
National Council of Senior Citizens	24,000.00	24,000.00
National Housing Conference, Inc.	25,000.00	25,000.00
National Legal Aid and Defender Association		1,000.00
National Maritime Union—Strike Assistance	2,000.00	
National Planning Association	20,000.00	20,000.00
National Rural Housing Coalition		1,000.00
National Safety Council	1,000.00	1,000.00
National Urban Coalition		10,000.00
National Urban League—Labor Education Advancement Program		10,000.00
New Direction Inc.		1,000.00
New Leader	10,000.00	10,000.00
Operation Christmas		500.00
Radio Free Europe		1,000.00
Radio Liberty Committee		1,000.00

STATEMENT NO. 11 (Cont'd)

	July 1, 1973 to June 30, 1974	July 1, 1974 to June 30, 1975
Raza Association of Spanish Surnamed Americans	5,000.00	5,000.00
Reading is Fundamental Inc.		1,000.00
Religion in American Life	2,000.00	1,000.00
R & G Sloane Strike Relief Fund Rubber Workers		5,000.00
Southern Regional Council, Inc.	5,000.00	10,000.00
Special Olympics, Inc.		1,000.00
United Givers Fund, Washington, D.C. Chapter	2,500.00	
United Negro College Fund, Inc.	10,000.00	10,000.00
United States Committee for Refugees		1,000.00
United Way of the National Capital Area		2,500.00
Wayne Morse Chair of Law—University of Oregon		5,000.00
Xavier Institute of Industrial Relations	100.00	100.00
Total expenses	1,015,554.86	1,042,643.32
Excess of income over expenses	90,448.40	99,394.01
Special Purposes fund balance, beginning of period	2,121,605.72	2,212,054.12
Special Purposes fund balance, end of period (Note 1)	$2,212,054.12	$2,311,448.13
Composition of Special Purposes Fund balance		
Loans receivable		
International Confederation of Free Trade Unions	150,000.00	150,000.00
Morena Films	3,955.75	3,955.75
Rhode Island Group Health Association	100,000.00	100,000.00
Sindicato Profesional de Journaleros, Estibadores y Desestibadores Maritimos de Valparaiso (Chile)	17,500.00	17,500.00
Due from General Fund (Special Purposes Fund receipts and disbursements are recorded through the General Fund)	1,940,598.37	2,039,992.38
	$2,212,054.12	$2,311,448.13

Note 1: The Special Purposes Fund was established by the AFL-CIO Executive Council in 1959. Prior to January 1, 1962, Fund income was provided by special assessments upon the affiliated organizations. Effective January 1, 1962, Fund income had been provided by a 1-1/3¢ per member per month allocation of per capita taxes received from affiliated organizations. Effective July 1, 1968, the Executive Council reduced the monthly allocation of per capita to 2/3¢ per member per month. Withdrawals from the Special Purposes Fund can be made only by motion of the Executive Council.

The accompanying notes are an integral part of these financial statements.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF ACCOUNTING POLICIES

The Federation records its transactions in one, self-balancing group of accounts. Receipts and disbursements of the Defense and Special Purposes Fund are recorded in the General Fund. The balances of the Defense and Special Purposes Fund represent a liability of the General Fund.

Plant and equipment—Depreciation is computed on the straight-line method, based on varying lives as follows:

Building	50 years
Furniture and fixtures	10 years

Marketable securities—Marketable securities are carried at cost.

Income taxes—The Federation is exempt from Federal income tax under Section 501(c)(5) of the Internal Revenue Code.

PENSION PLAN

All eligible employees of the Federation are covered by a non-contributory pension plan. Contributions to the pension plan are made for current costs plus amortization of the unfunded past service liability over a period of 25 years. For the years ended June 30, 1974 and 1975, contributions, based on varying percentages (17-18.5) of the payroll of eligible employees, totaled $1,287,240.49 and $1,375,966.16, respectively. An actuarial valuation of the plan as of May 1, 1972, estimates the unfunded past service liability to be approximately $9,000,000.00

COMMITMENTS

The Federation is providing the funding for the renovation and construction of the AFL-CIO Labor Studies Center Campus in Silver Spring, Maryland. Contracts under consideration, in addition to contracts previously signed with the architect, general contractor and others, provide for approximately $1,400,000.00 of costs in addition to the $3,531,261.02 incurred as of June 30, 1975.

The Federation has obtained a $5,500,000.00 line of credit for the purpose of financing the construction of the addition to its Headquarters building and the renovation of the Labor Studies Center. As of June 30, 1975, $4,000,000.00 of this amount has been drawn, leaving a balance available of $1,500,000.00.

ASSESSMENT

On May 15, 1973, the Executive Council of the Federation voted an assessment of four cents (4¢) per member per month on all affiliated unions for a maximum period of three months, effective May 1, 1973, to assist the United Farm Workers in their strike against the grape growers in Southern California.

A summary of the receipts and disbursements in connection with this assessment follows:

	January 1, to June 30, 1973	July 1, to December 31, 1973	Total
Assessments received	$729,794.69	$ 932,626.16	$1,662,420.85
Payments to United Farm Workers Defense Fund	$450,000.00	$1,212,420.85	$1,662,420.85

CONTRIBUTIONS FOR AFL-CIO FUNDS FOR ISRAEL-HISTADRUT

As a result of the Mid-East war, great burdens were placed on Histadrut, the Confederation of Labor of Israel. In order to respond to those needs and to support the social and economic life of Israel, the AFL-CIO undertook to raise contributions from its affiliates. A summary of the receipts and disbursements in connection with that effort follows:

Contributions received from affiliates—July 1, 1973 to June 30, 1974	$584,640.00
Payments to Histadrut—July 1, 1973 to June 30, 1974	584,640.00
	$ —0—

In addition to the above amount, the AFL-CIO, from the Special Purposes Fund, made a contribution of $50,000.00 during the year ended June 30, 1974.

The Trustees
AFL-CIO Staff Retirement Plan

We have examined the statement of receipts, disbursements and balances of the AFL-CIO Staff Retirement Plan for the years ended June 30, 1975 and 1974. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such statement presents fairly the cash and investments of the AFL-CIO Staff Retirement Plan at June 30, 1975, arising from cash transactions, and the changes in the fund balances for the years ended June 30, 1975 and 1974, on a consistent basis.

MAIN LAFRENTZ & CO.

Washington, D.C.
July 25, 1975

AFL-CIO STAFF RETIREMENT PLAN
STATEMENT OF RECEIPTS, DISBURSEMENTS AND BALANCES
YEARS ENDED JUNE 30, 1975 AND 1974

	1975	1974
Receipts:		
Current service contributions		
From AFL-CIO	$ 1,382,702.63	$ 1,271,899.58
From affiliated departments and central bodies	359,469.81	292,913.74
Past service contributions and interest	89,715.89	
Income from investments (net)	1,163,676.62	965,072.94
Total receipts	2,995,564.95	2,529,886.26
Disbursements:		
Lump sum payments to employees terminating employment during year	3,342.42	16,783.96
Payments to deceased employees' beneficiaries	3,434.92	11,011.56
Pensions to retired employees	904,330.83	658,936.03
Foreclosure expense—FHA mortgages	4,467.88	
Insurance expense	2,920.00	
Total disbursements	918,496.05	686,731.55
Excess of receipts over disbursements	2,077,068.90	1,843,154.71
Balance, beginning of year	15,884,551.55	14,041,396.84
Balance, end of year	$17,961,620.45	$15,884,551.55

AFL-CIO STAFF RETIREMENT PLAN
STATEMENT OF RECEIPTS, DISBURSEMENTS AND BALANCES
YEARS ENDED JUNE 30, 1975 AND 1974
(Continued)

	Face Value	Market Value	Cost
Assets comprising balance at June 30, 1975			
Investments (at cost)			
Securities of U.S. Government and its agencies	$ 2,680,024.02	$ 2,474,408.85	$ 2,653,899.55
Corporate and agency securities, U.S. Government insured	2,838,000.00	2,520,535.00	2,835,780.00
International Bank for Reconstruction and Development bonds	250,000.00	210,062.50	249,312.50
Inter-American Development Bank bonds	75,000.00	62,062.50	74,531.25
Corporate bonds	6,632,000.00	5,421,973.75	6,664,591.50
	$12,475,024.02	$10,689,042.60	$12,478,114.80
AFL-CIO Mortgage Investment Trust (market value $946,244.42)			998,788.01
Participation in CORACREVI—AFL-CIO Housing Project, Caracas, Venezuela			127,958.54
FHA mortgages			4,002,0[illegible]
			$17,606,8[illegible]
Cash			332,191.73
Advances to servicing company for mortgages in foreclosure proceedings			22,564.98
			$17,961,620.45
Funds into which assets are allocated at June 30, 1975			
Retired individuals' equity			$ 120,964.82
Employees' equity			788,428.27
Unallocated reserve			11,108,567.32
Unallocated interest			5,943,660.04
			$17,961,620.45

The accompanying notes are an integral part of this financial statement.

AFL-CIO STAFF RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENT
YEARS ENDED JUNE 30, 1975 AND 1974

Summary of Accounting Policies

The Staff Retirement Plan records its transactions .. one self-balancing group of accounts on a cash basis.

Investments—Investments are carried at cost.

Income taxes—The Staff Retirement Plan is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code.

Contributions and Equity Accounts

Prior to January 1, 1966, the AFL-CIO Staff Retirement Plan provided for contributions from both the employers and employees. As of that date, the Plan was amended to provide that the employers would make all contributions required to provide the benefits under the Plan (other than the contributions previously made by employees).

The individual accounts of employees, retired employees and pensioners in which there were balances at the close of business on December 31, 1965, were to be continued, and future credits to such accounts limited to annual interest as provided in the Plan. After December 31, 1965, no new employees' equity accounts were to be set up.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS PAID MEMBERSHIP

The following table shows the average per capita membership paid to the AFL-CIO for the year 1955, and subsequent two-year periods thereafter. The 1975 figures are based on the two-year period ending July 31, 1975.

Organizations	Thousand of Members										
	1955	1957	1959	1961	1963	1965	1967	1969	1971	1973	1975
Actors and Artistes of America, Associated	34	43	51	58	57	61	62	72	69	72	76
Agricultural Workers Organizing Committee, AFL-CIO				2[e]	2	2	w				
Agricultural Workers Union, National	4	4	4	a							
Air Line Dispatchers Association	1	1	1	1	1	1	1	1	1	1	1
Air Line Pilots Association	9	14	18	18	17	18	23	32	39	40	46
Aluminum Workers International Union	20	22	18	18	19	22	25	27	25	25	27
Asbestos Workers, Int'l Association of Heat and Frost Insulators	9	10	10	10	11	12	12	12	13	13	13
Automobile, Aerospace and Agricultural Implement Workers of America, International Union, United	1,260	1,216	1,060	1,019	1,033	1,150	1,325	x			
Automobile Workers of America, International Union, United	73	b									
Bakery and Confectionery Workers International Union, American			40[f]	69	71	75	79	83kk			
Bakery and Confectionery Workers International Union of America	136	137	gg								
Bakery and Confectionery Workers International Union of America									128	130	125
Barbers and Beauty Culturists Union of America	3	c									
Barbers, Hairdressers and Cosmetologists' International Union of America, The Journeymen	5	69	73	73	73	73	68	66	60	50	42
Bill Posters, Billers and Distributors of the United States and Canada, International Alliance of	2	2	2	2	1	2	2	1	1	mm	
Boiler Makers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, International Brotherhood of	151	151	151	151	111	108	122	122	121	115	123
Bookbinders, International Brotherhood of	51	54	56	56	55	51	57	60	59	ll	
Boot and Shoe Workers' Union	40	40	40	40	40	40	40	40	38	35	34
Brewery, Flour, Cereal, Soft Drink and Distillery Workers, International Union of, United	45	45	45	45	45	42	40	40	40	40	rr
Bricklayers, Masons and Plasterers, International Union of America	120	120	120	120	120	120	120	120	121	134	143
Brick and Clay Workers of America, The United	23	25	23	23	21	21	21	19	17	16	16
Broadcast Employees and Technicians, National Association of	4	4	4	4	4	4	5	5	5	5	5
Broom and Whisk Makers Union, International	1	1	1	1	d						
Building Service Employees International Union	205	222	235	261	279	305	528	y			
Carpenters and Joiners of America, United Brotherhood of	750	750	750	709	700	700	700	700	700	700	700
Cement, Lime and Gypsum Workers International Union, United	35	35	34	32	31	30	29	29	29	30	29
Chemical Workers Union, International	79	72	67	65	68	70	77	89	12*ii	70	58
Cigarmakers' International Union of America	9	8	7	6	5	4	4	3	3	2	88
Clerks, National Federation of Post Office	97	96	94	e							
Clothing Workers of America, Amalgamated	210	273	288	296	288	288	288	285	270	257	232
Commercial Telegraphers' Union, The	29	29	29	26	22	22	22	z			
Communications Workers of America	249	250	261	255	273	288	315	348	415	438	476
Coopers International Union of North America	3	4	4	3	3	2	3	3	2	2	2
Distillery, Rectifying, Wine and Allied Workers' Int'l Union of America	26	25	31	34	25	24	25	27	21	20	18
Dolls, Toys, Playthings, Novelty and Allied Products of the United States and Canada, AFL-CIO, International Union of	14	17	18	19	20	22	25	26	26	25	30
Electrical, Radio and Machine Workers, International Union of	271	314	280	274	262	265	304	313	283	227	255

Organizations	Thousands of Members										
	1955	1957	1959	1961	1963	1965	1967	1969	1971	1973	1975
Electrical Workers, International Brotherhood of	464	464	514	548	557	616	658	733	760	779	850
Elevator Constructors, International Union of	10	10	10	11	12	12	12	12	12	12	13
Engineers, International Union of Operating	200	200	241	270	270	279	296	300	300	300	300
Engravers and Marking Device Workers Union, International Metal	1	f									
Farm Workers of America, AFL-CIO, United							1*	5	11	29	14
Fire Fighters, International Association of	72	78	80	78	80	87	87	87	101	105	121
Firemen and Oilers, International Brotherhood of	57	57	54	48	45	44	41	42	42	40	40
Flight Engineers' International Association	1	2	3	3	3	1	1	2	2	2	2
Furniture Workers of America, United	34	37	35	32	32	32	31	32	30	28	28
Garment Workers of America, United	40	5	48	35	35	35	35	35	32	32	32
Garment Workers Union, International Ladies'	383	374	368	363	363	363	363	363	363	363	363
Glass and Ceramic Workers of North America, United	41	42	40	35	32	33	34	32	30	28	28
Glass Bottle Blowers' Association of the United States and Canada	47	52	52	53	58	65	67	70	72	74	75
Glass Cutters League of America, Window	2	2	2	1	1	1	1	1	1	1	1
Glass Workers Union, American Flint	28	29	28	30	29	31	33	34	32	34	35
Glove Workers Union of America, International	3	3	3	g							
Government Employees, American Federation of	47	56	56	68	97	112	196	261	246	278	253
Government and Civic Employees Organizing Committee	27	h									
Grain Millers, American Federation of	33	32	31	29	24	25	24	25	21	25	29
Granite Cutters International Association of America, The	4	3	3	3	3	3	2	2	2	2	1
Graphic Arts International Union										59	71
Hatters, Cap and Millinery Workers International Union, United	32	32	32	32	32	32	31	28	18	15	13
Hod Carriers, Building and Common Laborers Union of America, Int'l	372	400	403	403	401	p					
Horse Shoers of United States and Canada, Int'l Union of Journeymen	1	1	1	1	1	1	1	1	1	1	1
Hosiery Workers, American Federation of	15	10	6	5	5	q					
Hotel and Restaurant Employees' and Bartenders' International Union	500	500	500	500	500	500	500	500	500	528	477
Industrial Workers of America, International Union, Allied		76	66	64	63	71	84	89	85	88	93
Insurance Agents International Union	13	12	i								
Insurance Workers of America	9	9	i								
Insurance Workers International Union, AFL-CIO			22	22	21	21	23	24	24	24	22
Iron Workers, International Association of Bridge and Structural	133	136	144	137	130	132	137	153	157	160	160
Jewelry Workers Union, International	20	22	17	13	13	14	14	1	10	10	10
Laborers' International Union of North America						403	422	465	475	475	475
Lathers, International Union of Wood, Wire and Metal	16	16	16	16	16	16	15	14	14	14	12
Laundry and Dry Cleaning International Union, AFL-CIO			15*	24	22	22	23	24	26	25	29
Leather Goods, Plastics and Novelty Workers Union, International	30	29	31	32	36	34	35	38	41	41	39
Leather Workers International Union of America	2	6	5	5	5	5	4	4	3	2	2
Letter Carriers, National Association of	100	100	100	108	128	130	130	138	151	151	153
Lithographers and Photoengravers International Union					r	39*	43	45	46	0	
Lithographers of America, Amalgamated	28	28	j								
Locomotive Firemen and Enginemen, Brotherhood of		37	55	50	48	41	35	na			
Longshoremen, International Brotherhood of	8	15	14	k							
Longshoremen's Association, AFL-CIO, International				46*	50	50	50	50	58	60	60
Machinists and Aerospace Workers, International Association of	627	705	691	646	636	663	740	815	754	698	780
Maintenance of Way Employes, Brotherhood of	159	152	131	101	85	77	71	62	63	71	71
Marble, Slate and Stone Polishers, Rubbers and Sawyers, Tile & Marble Setters Helpers and Terrazzo Helpers, International Association of	6	8	8	8	8	8	s	s	s	s	s
Marine and Shipbuilding Workers of America, Industrial Union of	27	34	34	30	28	22	30	31	27	21	22

Organizations	Thousands of Members										
	1955	1957	1959	1961	1963	1965	1967	1969	1971	1973	1975
Marine Engineers' Beneficial Association, National	9	8	8	8	8	9	9	9	9	14	20
Maritime Union of America, National	37	39	40	38	42	45	45	45	45	43	35
Masters, Mates and Pilots, International Organization of	9	9	9	9	9	9	9	9	10	nn	
Master Mechanics and Foremen of Navy Yards and Naval Stations, National Association of	1	1	1	1	1	s					
Meat Cutters and Butcher Workmen of North America, Amalgamated	263	312	329	325	325	330	352	432	456	470	451
Mechanics Educational Society of America	49	49	41	38	37	37	37	37	33	26	23
Metal Polishers, Buffers, Platers and Allied Workers	15	16	14	13	11	11	11	10	9	9	9
Molders and Allied Workers Union, AFL-CIO, International	67	68	57	54	53	50	50	50	50	50	50
Musicians, American Federation of	250	255	255	247	233	225	224	237	236	204	215
Newspaper Guild, The	21	22	24	24	23	23	24	25	26	26	26
Office and Professional Employees International Union	44	45	46	48	50	52	57	63	67	68	74
Oil, Chemical and Atomic Workers International Union	160	165	159	151	146	140	142	146	149	145	145
Packinghouse, Food and Allied Workers, United	118	96	87	76	73	71	68	bb			
Painters and Allied Trades of the United States and Canada, International Brother of	182	185	179	163	158	160	160	160	160	160	160
Paper Makers, International Brotherhood	60	1									
Paper Workers International Union, United										266	275
Paper Workers of America, United	40	1									
Papermakers and Paperworkers, United		110	116	121	122	121	120	124	125	oo	
Pattern Makers League of North America	11	11	11	11	10	10	10	10	10	10	10
Photo Engravers Union of North America, International	16	16	16	16	15	t					
Plasterers' and Cement Masons' International Association of the United States and Canada, Operative	60	60	65	68	68	68	68	68	68	68	55
Plumbing and Pipe Fitting Industry of the United States and Canada, United Association of Journeymen and Apprentices of the	200	200	200	215	217	217	221	226	228	228	228
Porters, Brotherhood of Sleeping Car	10	10	10	8	6	5	5	5	2	1	1
Post Office and General Service Maintenance Employees, National Assoc.							5*	6	hh		
Post Office Mail Handlers, Watchmen, Messengers and Group Leaders, National Association of	1	1	1	1	1	1	9	cc			
Post Office Motor Vehicle Employees, National Federation of			2*	4	4	5	6	7	hh		
Postal Transport Association, National	22	21	19	e							
Postal Clerks, United Federation of				95	115	117	138	152	hh		
Postal Workers Union, AFL-CIO, American									169	234	249
Pottery and Allied Workers, International Brotherhood of	23	26	28	26	22	19	18	14	15	15	17
Printers, Die Stampers & Engravers Union of North Amer., Int'l Plate	1	1	1	1	1	1	1	1	1	1	1
Printing and Graphic Communications Union, Int'l											105
Printing Pressmen's and Assistants' Union of North America, Int'l	87	92	96	99	100	100	102	106	107	104	tt
Professional and Technical Engineers, International Federation of										13	14
Pulp, Sulphite and Paper Mill Workers of the United States and Canada, International Brotherhood of	154	161	164	142	137	135	135	142	120	oo	
Radio and Television Directors Guild	1	1	1	m							
Radio Association, American	2	2	2	2	2	2	2	2	1	1	1
Railroad Telegraphers, The Order of	30	30	30	30	30	u					
Railroad Trainmen, Brotherhood of		13*	128	121	104	98	96	aa			
Railway Carmen of the United States and Canada, Brotherhood	116	127	111	93	86	84	80	71	63	57	56
Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees, Brotherhood of	264	267	250	215	196	186	181	192	150	153	160

Organizations	Thousands of Members										
	1955	1957	1959	1961	1963	1965	1967	1969	1971	1973	1975
Railway Patrolmen's International Union	3	3	3	2	2	2	2	dd			
Railway Supervisors Association, American		1*	6	6	6	6	6	6	6	6	6
Retail Clerks International Association	259	291	315	340	364	410	472	525	558	582	602
Retail, Wholesale and Department Store Union	97	105	107	110	111	114	120	119	119	98	118
Roofers, Damp and Waterproof Workers Association, United Slate, Tile and Composition	18	20	21	21	21	22	23	24	25	26	27
Rubber, Cork, Linoleum and Plastic Workers of America, United	163	162	152	152	150	153	166	174	169	169	173
School Administrators and Supervisors Organizing Committee, AFL-CIO									1*	5	7
Seafarers International Union of North America	42	52	58	69	77	80	80	80	80	80	80
Service Employees International Union, AFL-CIO								352	396	439	480
Sheet Metal Workers International Association	50	56	75	84	86	100	100	102	120	120	120
Shoe Workers of America, United	51	51	50	50	48	45	44	43	35	33	25
Siderographers, International Association of	1	1	1	1	1	1	1	1	1	1	1
Signalmen of America, Brotherhood Railroad	15	15	14	13	12	11	10	10	10	9	10
Special Delivery Messengers, The National Association of	2	2	2	2	1	1	2	2	hh		
Stage Employes and Moving Picture Machine Operators of the United States and Canada, International Alliance of Theatrical	46	50	50	50	50	50	50	50	50	50	50
State, County and Municipal Employees, American Federation of	99	147	173	188	212	237	297	371	458	545	647
Steelworkers of America, United	980	1,021	892	843	805	876	952	941	950	945	1,062
Stereotypers', Electrotypers', and Platemakers Union, International	12	12	12	12	12	11	10	9	8	7	tt
Stone and Allied Products Workers of America, United	11	13	12	12	11	11	12	11	jj		
Stonecutters Association of North America, Journeymen	2	2	2	2	2	2	2	ee			
Stove, Furnace and Allied Appliance Workers of North America	10	9	8	9	9	9	9	8	6	3	3
Street and Electric Railway Employes of America, Amalgamated Asso. of	139	129	124	116	110	v					
Switchmen's Union of North America	11	12	11	10	10	9	9	aa			
Teachers, American Federation of	40	48	50	57	65	97	125	145	194	254	396
Technical Engineers, American Federation of	10	12	13	13	11	11	13	13	13	pp	
Telegraph Workers, United								23	20	16	12
Textile Workers of America, United	49	43	37	34	33	36	37	38	37	37	36
Textile Workers Union of America	203	190	173	142	122	123		122	117	117	105
Tobacco Workers International Union	27	25	25	24	24	24		24	24	25	26
Train Dispatchers Association, American		1*	4	4	4	3	3	3	3	3	3
Transit Union, Amalgamated						98	90	87	82	87	90
Transport Service Employees of America, United	3	3	3	3	3	3	3	3	2	qq	
Transport Workers Union of America	80	80	80	80	80	80	80	80	93	95	95
Transportation-Communication Employees Union						29	27	ff			
Transportation Union, United								138	139	134	134
Typographical Union, International	78	78	79	81	86	87	90	89	87	81	73
Upholsterers' International Union of North America	51	52	50	50	50	50	50	50	50	50	50
Utility Workers Union of America	53	53	53	51	50	50	51	52	48	54	52
Wallpaper Craftsman and Workers of North America, United	1	1	n								
Weavers Protective Association, American Wire	1	1	o								
Woodworkers of America, International	91	58	52	50	47	49	52	50	51	55	52
Yardmasters of America, Railroad	4	4	4	4	4	4	4	4	4	4	4
Sub-Totals	12,441	12,888	12,671	12,482	12,407	12,869	13,736	12,957	13,115	13,352	14,014
Directly Affiliated Local Unions	181	132	108	71	62	50	45	48	62	55	52
Grand Totals	12,622	13,020	12,779	12,553	12,469	12,919	13,781	13,005	13,177	13,407	14,066

NOTE: Affiliated Unions with a paid membership of less than 1,000 were credited with a paid membership of 1,000.

a. Merged with Amalgamated Meat Cutters and Butcher Workmen of North America on August 16, 1960.
b. Title changed to Industrial Workers of America, International Union, Allied, May 1, 1956.
c. Reaffiliated with Barbers, Hairdressers and Cosmetologists' International Union of America, The Journeymen, July 1, 1956.
d. Broom and Whisk Makers Union, International, disbanded August 1962.
e. Merged with National Federation of Post Office Clerks on December 6, 1961. Title changed to United Federation of Postal Clerks.
f. Merged with Machinists and Aerospace Workers, International Association of, September 1, 1956.
g. Merged with Amalgamated Clothing Workers of America, December 6, 1961.
h. Merged with State, County and Municipal Employees, American Federation of, August 1, 1956.
i. Merged into Insurance Workers International Union, AFL-CIO, May 18, 1959.
j. Disaffiliated, August 21, 1958.
k. Merged into Longshoremen's Association, AFL-CIO, International, November 17, 1959.
l. Merged into Papermakers & Paperworkers, United, March 6, 1957.
m. Disaffiliated, January 1, 1960.
n. Merged with Pulp, Sulphite and Papermill Workers of the United States and Canada, International Brotherhood of, April 29, 1958.
o. Merged with Papermakers and Paperworkers, United, February 16, 1959.
p. Title changed to Laborers' International Union of North America, September 20, 1965.
q. Merged with Textile Workers Union of America, April 28, 1965.
r. Reaffiliated with AFL-CIO by merging with Photo Engravers Union of North America, International, on September 7, 1964.
s. Withdrew April 1, 1964.
t. Merged into Lithographers and Photoengravers International Union, September 7, 1964.
u. Title changed to Transportation-Communication Employees Union, February 25, 1965.
v. Title changed to Transit Union, Amalgamated, February 25, 1965.
w. Charter granted to Farm Workers Organizing Committee, United, August 23, 1966, bringing together Agricultural Workers Organizing Committee, AFL-CIO, and Independent National Farm Workers Association.
x. Disaffiliated, July 1, 1968.
y. Title changed to Service Employees International Union, AFL-CIO, February 19, 1968.
z. Title changed to Telegraph Workers, United, February 19, 1968.
aa. Merged into Transportation Union, United, December 16, 1968.
bb. Merged with Meat Cutters and Butcher Workmen of North America, Amalgamated, July 9, 1968.
cc. Merged with Laborers' International Union of North America, April 20, 1968.
dd. Merged with Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees, Brotherhood of, January 1, 1969.
ee. Merged with Laborers' International Union of North America, February 19, 1968.
ff. Merged with Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees, Brotherhood of, February 21, 1969.
gg. Expelled by convention, December 12, 1957, merged with American Bakery and Confectionery Workers' International Union, December 4, 1969 to form Bakery and Confectionery Workers International Union of America.
hh. Merged to form Postal Workers' Union, American, July 1, 1971.
ii. Charter revoked by Convention, October 3, 1969, charter reinstated by Executive Council, May 12, 1971.
jj. Merged with Steelworkers of America, United, January 1, 1971.
kk. Merged to form Bakery and Confectionery Workers, International Union of America, December 4, 1969.
ll. Merged to form Graphic Arts International Union, September 4, 1972.
mm. Charter surrendered, October 31, 1971.
nn. Merged with Longshoremen's Association, AFL-CIO International, May 12, 1971.
oo. Merged to form Paperworkers International Union, United, August 9, 1972.
pp. Title changed to Professional and Technical Engineers, International Federation of, May, 1973.
qq. Merged with Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees, Brotherhood of, October 1, 1972.
rr. Certificate of affiliation revoked, AFL-CIO Convention, October 19, 1973.
ss. Merged with Retail, Wholesale and Department Store Union, August 6, 1974.
tt. Merged to form Printing and Graphic Communications Union, Int'l, October 17, 1973.

* Organization affiliated for only part of two-year period although membership shown is average for 24-month period.

The following unions (and Bakery and Confectionery Workers International Union of America as shown above, see gg) were expelled from the AFL-CIO at the Second Constitutional Convention in December 1957. Their paid membership for the years 1955 and 1957 were:

	1955	1957
Cleaning and Dye House Workers, International Association of	17	18
Laundry Workers International Union	72	72
Teamsters, Chauffeurs, Warehousemen and Helpers of America, International Brotherhood of	1,330	1,338
	1,419	1,428

Auditing Department

The AFL-CIO Auditing Department is charged with the responsibility of seeing that directly affiliated local unions maintain their financial records in conformity with the AFL-CIO Rules Governing Directly Affiliated Local Unions and the AFL-CIO Codes of Ethical Practices, and perform annual audits of the accounts of each local union.

The audit of directly affiliated local unions is made in accordance with generally accepting auditing standards and include such tests of accounts of the local unions and other auditing procedures as we consider necessary in the circumstances.

In order to insure the proper recording and reporting of financial transactions by the local unions, and to render them assistance in reporting requirements of the various government agencies they are furnished with standard accounting forms. As new reporting requirements have been imposed on our directly affiliated local unions we have supplied them with guidance in completing the required reports.

The cooperation of the officers of directly affiliated local unions has been excellent, and their assistance has enabled us to proceed smoothly with our audit program.

Defalcations—Directly Affiliated Local Unions

AFL-CIO auditors during the period July 1, 1973 through June 30, 1975 found that two local unions were guilty of financial irregularities and for failure to comply with the AFL-CIO Constitution, the Rules Governing Directly Affiliated Local Unions and the AFL-CIO Codes of Ethical Practices. The officers of these local unions who were found responsible for these irregularities were immediately removed from office. The bonding company was notified of these financial irregularities and where immediate recovery was not obtained from the officers responsible, a claim filed.

The total amount of defalcations in these two local unions amounted to $3,289.80. Immediate restitution was received from the guilty officer in one instance in the amount of $3,169.80 and the bonding company was so notified. In the second defalcation a claim was filed with the bonding company in the amount of $120.00 and they made full restitution.

Defalcations—State and Local Central Bodies

During the period July 1, 1973 to June 30, 1975 one defalcation concerning a former officer was disclosed in the amount of $768.68. The bonding company was notified of this shortage and the guilty officer made full restitution.

Trusteeships—Directly Affiliated Local Unions

Under date of July 1, 1974, President Meany, pursuant to the powers vested to him by the Constitution of the AFL-CIO and

by Rule 24, of the AFL-CIO Rules Governing Directly Affiliated Local Unions, placed Smelter Workers Union No. 21538, AFL-CIO, Blackwell, Oklahoma under trusteeship in order to assure the orderly dissolution of the local union and disposition of its assets.

Trusteeships—State and Local Central Bodies

The 1973 convention voted to uphold the Executive Council's decision of March 2, 1973 placing the Colorado Labor Council, AFL-CIO under trusteeship. The trusteeship of this council was terminated on May 15, 1974.

As of June 30, 1975 there were no state or local central bodies under trusteeship.

Directly Affiliated Local Unions

The AFL-CIO Constitution and the Rules Governing Directly Affiliated Local Unions provides that the integrity of each directly affiliated local union shall be maintained and preserved. They further provide that directly affiliated local unions can voluntarily agree to transfer their affiliation to a national or international union. Such transfer, however, should be made only where there is some definite similarity as to the type of workers organized by the national or international union concerned, and in accordance with established policy and procedures.

As of July 1, 1973 there were 157 directly affiliated local unions with a membership of 54,961. During the period July 1, 1973 to June 30, 1975, 30 local unions with a membership of 4,548 have affiliated with national or international unions. The transfer of these directly affiliated local unions was effectuated pursuant to existing procedures. The desire of the local union membership for active participation in the affairs of a national or international union having activities and industry jurisdiction similar to theirs was responsible for such transfers.

During the same period 9 directly affiliated local unions with a membership of 407 disbanded, 1 local union disaffiliated and 2 local unions merged. Charters were issued during this period to 29 Directly Affiliated Local Unions who were previously affiliated with the International Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers. The 1973 convention revoked the certificate of affiliation of this international union on the recommendation of the Executive Council.

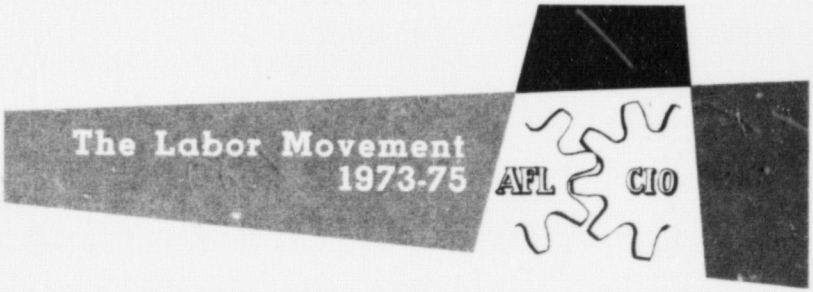
On June 30, 1975 there were 144 directly affiliated local unions with a membership of 51,821.

On July 30, 1975 the Executive Council considered a report of a subcommittee dealing with minimum dues of Directly Affiliated Local Union members.

Upon the conclusion of such consideration it determined that effective November 1, 1975 each Directly Affiliated Local Union shall collect membership dues of not less than six dollars ($6.00) per month per member.

State and Local Central Bodies

As of June 30, 1975 there were 50 State Central Bodies, one Commonwealth Central Body and 749 Local Central Bodies in existence. During the period July 1, 1973 to June 30, 1975, 23 Central Bodies were granted charters, 2 Central Bodies merged thereby forming 1 Central Body, 2 Central Bodies were reorganized, 26 amended charters and 1 replacement charter were issued and 9 Local Central Bodies were disbanded.



Changes in the Executive Council

Resignation of Vice President A. Philip Randolph

The Executive Council, at its August 1974 meeting, received and accepted with regret, the resignation of Vice President A. Philip Randolph from the Executive Council. As President of the Brotherhood of Sleeping Car Porters, Vice President Randolph served his members with distinction and diligence. To the cause of justice, equality and human dignity, he brought determination, perseverance, eloquence and integrity. We extend to him, on behalf of the millions of workers who gained social and economic justice because of his tireless efforts, our sincere appreciation and wish him many years of happiness and good health in his retirement.

Election of Vice President C. L. Dellums

In conformity with the authority conferred upon the Executive Council, Article V, Section 6 of the AFL-CIO Constitution, the council at its meeting on August 6, 1974, elected C. L. Dellums, President of the Brotherhood of Sleeping Car Porters.

Death of Vice President John F. Griner

In April 1974, death removed from our ranks our distinguished colleague, John F. Griner, who served as a member of the Executive Council since 1969. As president of the American Federation of Government Employees from 1962 to 1972, he made significant contributions to the cause of collective bargaining for federal employees. His death was a loss, not only to his union which he had served so ably, but to the trade union movement as a whole.

Election of Vice President Francis S. Filbey

In conformity with the authority conferred upon the Executive Council, Article V, Section 6 of the AFL-CIO Constitution, the council, at its meeting on August 6, 1974, elected Francis S. Filbey, President of the American Postal Workers Union.

Death of Vice President Joseph A. Beirne

Our good friend and distinguished colleague, Joseph A. Beirne, was taken from our ranks on Labor Day 1974 after a lifetime of service to the labor movement. He had been a member of the Executive Council since the founding of the America Federation of Labor and Congress of Industrial Organizations in 1955.

Vice President Beirne not only championed the cause of workers in his union, the Communications Workers of America, but helped extend the benefits of free unionism to Latin America as secretary-treasurer of the American Institute for Free Labor Development. He was a moving spirit of American labor's participation in community affairs and served as the first labor president of United Way of America. Vice President Beirne was a dedicated trade unionist who well and truly served his fellow man.

Election of Vice President Glenn E. Watts

In conformity with the authority conferred upon the Executive Council, Article V, Section 6 of the AFL-CIO Constitution, the council, at its meeting on November 7, 1974, elected Glenn E. Watts, President of the Communications Workers of America.

Mergers of International Unions

Retail, Wholesale and Department Store Union—Cigarmakers International Union of America

The Executive Council, at its August 1974 meeting, was advised that by action of a special convention held March 23, 1974, the Cigarmarkers International Union had voted to merge with the Retail, Wholesale and Department Store Union. Further, at its convention, held June 3-7, 1974, the delegates to the Retail, Wholesale and Department Store Union convention had, by unanimous action, voted to approve merger.

The Executive Council approved the merger with the understanding that the jurisdiction grant of the Cigarmakers International Union, as recognized by the AFL-CIO, is now a part of the jurisdiction grant of the Retail, Wholesale and Department Store Union. It is further understood that approval of this merger does not represent any other change in the jurisdiction grant of the Retail, Wholesale and Department Store Union.

Glass Bottle Blowers' Association of the United States and Canada—Window Glass Cutters League of America

The Executive Council was officially informed that the merger of the Glass Bottle Blowers' Association of the United States and Canada and the Window Glass Cutters League of America has been consummated as of August 1, 1975 with the understanding that the jurisdiction of the merged organization will be not more nor less than the jurisdiction held heretofore by the two organizations. The name of the merged organization will be the Glass Bottle Blowers' Association of the United States and Canada.

New Department

Public Employee Department, AFL-CIO

The 1973 Convention referred to the Executive Council a resolution calling for the formation of a Public Employee Department. At that time there were 8 or 9 international unions, representing a membership of approximately 1,300,000, with an active interest in the establishment of such a department, whose affiliates would have members employed in the public sector.

The Executive Council, at its meeting in February 1974, authorized President Meany to review the question. As a result of a meeting held April 30, 1974 there appeared to be broad-based support among the unions for the establishment of the department. At that meeting, an Ad Hoc Formative Committee was established to work out plans and programs for the department.

On November 6, 1974 the AFL-CIO issued a charter to the Public Employee Department. At the time of issuance of the charter, 24 AFL-CIO affiliates participated in the founding convention of the department. At this date, the department has 29 affiliates with a membership of approximately 2,500,000 members.

At its founding convention, William H. McClennan, president of the International Association of Fire Fighters, was elected department president; Clyde M. Webber, president of the American Federation of Government Employees, was elected treasurer. John A. McCart was later designated as executive director.

We welcome the establishment of the Public Employee Department and wish its officers and affiliated unions success in their endeavors to further the interests and welfare of those who are employed in the public sector.

Proposed Constitutional Amendment

At the February 1975 meeting of the Executive Council, a subcommittee consisting of Vice Presidents I. W. Abel, Al H. Chesser, John H. Lyons and Secretary-Treasurer Kirkland was appointed to make a study of AFL-CIO finances.

The subcommittee reported to the July 1975 meeting of the Executive Council that they reviewed the income and expenses for the past five years and compared same with the five-year projection of finances made in late 1969. Although the projection anticipated a deficit in the fourth year, the deficit did not materialize due to an increase in membership from 13 million in 1969 to a present membership in excess of 14 million. However, the last six months of 1975 will reflect a deficit.

The subcommittee made financial projections for the next few years taking into consideration anticipated increases in operating costs and repayment of a bank line of credit (used for construc-

tion purposes) and determined that each succeeding year will reflect a larger deficit.

After reviewing the financial data and the projections, the subcommittee recommended that in order to more adequately meet the projected expenses in the coming years, the per capita tax payment to the AFL-CIO should be increased from the present 10 cents per member per month to 13 cents per member per month, effective November 1, 1975. The recommendation was unanimously approved by the council on July 30, 1975.

Therefore, Article XV, Section 2 of the AFL-CIO Constitution which now reads:

> "Each national or international union and organizing committee shall pay on or before the fifteenth day of each month, for the preceding month, a per capita tax of 10 cents per member per month."

should be amended to read:

> "Each national or international union and organizing committee shall pay on or before the fifteenth day of each month, for the preceding month, a per capita tax of 13 cents per member per month."

Selection of Fraternal Delegates

Upon receipt of an official invitation from the British Trades Union Congress to the 1974 Congress in Brighton, September 2 to September 6, Vice President Max Greenberg and Vice President James T. Housewright were selected to represent the AFL-CIO as fraternal delegates.

Upon receipt of an official invitation from the British Trades Union Congress to the 1975 Congress in Blackpool, September 1 to September 6, Vice President William Sidell and Vice President Sol Stetin were selected to represent the AFL-CIO as fraternal delegates.

Upon receipt of an official invitation from the Canadian Labour Congress, Vice President C. L. Dennis was selected to represent the AFL-CIO as fraternal delegate to the Canadian Labour Congress in Vancouver, May 13 to May 17, 1974.

Internal Disputes Plan

The AFL-CIO Internal Disputes Plan was activated in January 1962. From that date through June 30, 1975, 1,616 complaints or claims of justification action were filed with the President's Office. The case load per year, for the past three years, was as follows:

Cases filed:	1972	135
	1973	87
	1974	125
	January-June '75	70

Mediation, which is conducted by a member of a panel of mediators comprised of officers of International Unions, continues to prove an effective means of settling disputes. Of the 1,616 cases filed, 903 (56%) have been settled through discussions between the organizations involved and mediation.

The two Impartial Umpires, David L. Cole and Howard W. Kleeb, hear and issue determinations on cases not settled at the mediation level. 676 such determinations have been issued since 1962.

The following is a breakdown of the disposition of cases filed:

	1/1/74 to 6/30/75	1/1/62 to 6/30/75
Pending at 6/30/75	34	—
Filed during period covered	70	1,616
	104	1,616
Mediation		
Settled in mediation	31	906
Pending 6/30/75	29	29
	60	935
Umpire's determinations		
Violation found	27	409
Not found	11	249
Pending	5	5
Justification Reports	1	18
	44	681
Appeals		
Pending at last report	5	—
Filed	7	212
	12	212
Determinations sustained	3	154
Appeals withdrawn	2	33
Referred to Executive Council	1	19
Pending	6	6
	12	212
Executive Council Action on Appeals		
Determinations affirmed	—	15
Determinations set aside or modified	1	3
Appeals withdrawn	—	1
	1	19*
Non-compliance Complaints		
Pending at last report	6	—
Filed	6	111
	12	111
Compliance achieved	—	58
Non-compliance found	—	20
Withdrawn	—	21
Pending	12	12
	12	111

Sanctions Imposed

In the period 1/1/62 through 6/30/75 12 affiliates have been found to have failed to comply with decisions of the Impartial Umpire, or directions of subcommittees, in 20 cases. In 12 instances, compliance was later achieved and the affiliate's rights under Article XX were restored.

The following organizations were under sanctions as of June 30, 1975:

Air Line Pilots Association
International Typographical Union

* The Executive Council has also issued 8 Policy Statements on the interpretation of Article XX.

Organization and Field Services

Shortly before the 1973 convention, the Executive Council approved a reorganization of AFL-CIO field operations to develop a structure "fully responsive to objectives uppermost at any given time in the labor movement's order of priorities." The Department of Organization was assigned a broader mission than its previously exclusive organizing role, without lessening its obligation to provide organizing support and assistance in recognition of "the continuing importance of aggressive organizing as a vital function of the trade union movement."

Reflecting the broader mission, the department was renamed the Department of Organization and Field Services. The staff and functions of the state and local central body coordinating office were then transferred into the department, which was also charged with maintaining liaison with all other AFL-CIO departments and with developing regular, effective working relationships between AFL-CIO regional directors and all other AFL-CIO field operations. The purpose of the restructuring was, simply, to integrate the department more closely with the general work of the federation and to equip it to serve more fully the needs of all sectors of the labor movement.

Implementation of the reorganization program was begun at the February 1974 Executive Council meeting with appointment of a director, designation of a deputy director and headquarters assistants, consolidation of regions and selection of regional directors. Thus, the essential first stages of restructuring and staffing have been completed along the lines recommended to the Executive Council by its Standing Committee on Organization.

In March 1974 the newly appointed regional directors came to the Washington headquarters for full orientation as to the new functions, directions and plans for the department. Discussions were held with President Meany, Secretary-Treasurer Kirkland and their chief assistants as well as with the heads of each AFL-CIO department and with other key headquarters personnel. Other sessions were arranged with representatives of the

A. Philip Randolph Institute, Frontlash, the Human Resources Development Institute, the Labor Council for Latin American Advancement and Concerned Seniors for Better Government, to acquaint the regional directors more fully with the scope of operations of those organizations.

As an indication of the broadened role of regional directors, President Meany introduced them to the Executive Council at its August 1974 meeting.

Providing assistance to state and local central bodies has become a major responsibility of the new department. The field staff is becoming a regular channel of information to headquarters as to the needs of the central bodies while informing them of the priorities of the federation. In the past, members of the old Department of Organization had been involved with central bodies only on a sporadic or ad hoc basis. As involvement in local operations becomes an increasingly significant part of the responsibilities of the new department, liaison with other federation departments is becoming more vital. This is especially true with regard to the Community Services, COPE, Legislative, Urban Affairs, Education, Public Relations, Civil Rights, Social Security, International Affairs and Publications Departments.

To keep the regional directors and their staff informed of all major developments and major policy decisions of the council and executive officers, arrangements have been made for a continuing flow of informational material to the regional offices. This becomes an important element in the ability of field staff to help central bodies implement policy priorities of AFL-CIO.

Shortly after the 1974 election, the department had a trial run in helping on the legislative front. Regional directors were asked to enlist the support of state federations and major city central bodies in urging U.S. Senators to defeat the pending trade bill because it contained "a built-in guarantee of further loss of American jobs."

Although the trade bill was ultimately enacted, the response of the central bodies to this national legislative issue was excellent. Another major effort was made by regional directors and central bodies in support of the Energy Transportation Security Bill which would have created 10,000 maritime jobs. The bill passed Congress but was subsequently vetoed by the President.

While it is true that the efforts in neither case resulted in the successful enactment of legislation, the experience was worthwhile in preparing our regional staffs and the central bodies for future assistance on national legislative priorities. It is clear that in order to have serious impact on important national legislation, better coordination, improved knowledge of the issues and improved dialogue with senators and representatives back home by grass roots level, union leadership will be necessary. This will probably include emphasizing the importance of letter writing by rank-and-file members as well as visits by union leadership to elected public officials.

Action Program

In January 1975, the executive officers convened a meeting of the General Board to discuss the extremely serious deepening recession and the increasing high rate of unemployment. That meeting adopted a six-point program to turn the American economy around and put America back to work.

Shortly afterward, President Meany and Secretary-Treasurer Kirkland sent letters to all state federations urging them to convene leadership meetings to discuss the unemployment situation and bring the AFL-CIO Action Program to the attention of their Senators, Representatives, Governors, Mayors and other political leaders, as well as to their own affiliated local union leadership and membership throughout the state.

The Department of Organization and Field Services was given the responsibility of providing assistance to the state federations in preparing these state meetings.

In response, 41 states held conferences, rallies and other special activities to create jobs. Over 100 central body activities on the Action Program have been held. A number of these central bodies have followed such meetings with programs, developed often in cooperation with HRDI representatives, for improving local manpower councils, and supporting job development and placement. In five states the A. Philip Randolph Institute has sponsored conferences in support of the AFL-CIO Action Program.

Many of these programs have encouraged state and city governments to take action on programs for the unemployed, unemployment insurance, collective bargaining, legislation, etc. At many of these conferences, political leaders were invited to hear about the AFL-CIO program. Many more political leaders have subsequently become aware of the labor movement's thrust as a result of state and central body activity.

The AFL-CIO regional offices and staff have been alerted to work with our state and central bodies in a continuous effort to keep this overriding economic priority in the forefront.

Directly Affiliated Local Unions

The responsibility for administering the Directly Affiliated Local Unions has been incorporated as part of the function of the Department of Organization and Field Services.

At the time of the merger of the AFL-CIO there were 844 DALUs with a combined membership of 181,440. There are presently 143 remaining, with a membership of 56,941.

The issuance of new DALU charters has virtually ceased, with the exception of the chartering of 28 former Brewery Workers locals with an approximate membership of 11,000. DALUs are generally showing an increased inclination to seek affiliation with national and international unions. Twenty-six DALUs trans-

ferred their affiliation in 1974. As of May 1975, six have transferred with four others in the process of transferring.

Bicentennial

In conjunction with the AFL-CIO Department of Education, the Department of Organization and Field Services is helping the labor movement present organized labor's historical role in the growth and welfare of America for the bicentennial.

Each of the eight AFL-CIO regions has designated a field representative to serve as liaison with all elements of organized labor in the region on bicentennial programs that highlight labor's contribution. Those regional representatives came to Washington in mid-1974 to attend a week-long orientation program at the Labor Studies Center designed to acquaint them with the aims and procedures of the Bicentennial Committee and to prepare them to assist central bodies and local bicentennial committees in the development of suitable programs.

A number of such programs are in the formative state and several, in the nature of pilot programs, have been completed. The program held in Louisville, Kentucky, in July 1974, with full involvement of our field staff in the region, received nationwide attention.

State and Local Central Bodies

During the past two years, increased efforts have been made to maintain regularly scheduled contact with central bodies, especially the smaller organizations. Regional directors have instructed their staffs to attend local central body meetings on a regular basis. Direct assistance has been provided to local central bodies in such activities as obtaining new affiliates, revising constitutions, establishing committees necessary for carrying out central body programs, training new officers, and generally helping the smaller local central bodies pursue AFL-CIO policies and objectives.

In the months immediately preceding the 1974 election, a number of the field staff were engaged in voter registration and get-out-the-vote programs of state and local central bodies. The level of such assistance to central bodies under the reorganized structure exceeds all previous efforts. In addition, the Department of Organization and Field Services acted as a clearinghouse for campaign reform legislation at the state level.

Four state labor councils requested and received staff assistance for their legislative programs. There is the anticipation of expanding this form of special assistance, especially to smaller state labor councils.

During early 1975, 16 state central bodies were requested to submit testimony at local hearings of the U.S. International Trade Commission. Their participation was coordinated by the headquarters staff and regional directors.

As in past years, state central bodies were requested to sponsor a trip to Washington, D.C. for state winners of essay contests on the Employment of the Handicapped. Forty-three states conducted these contests. Winning high school students came to Washington, D.C. as guests of the respective state labor councils.

Since the last convention, the number of local central bodies has increased from 739 to 748. During calendar years 1973 and 1974, the number of local unions affiliated with state central bodies increased from 24,667 to 26,418—a net gain of 1,751 local unions. During the same period, the number of members affiliated with state bodies increased from 7,210,722 to 8,014,390—a net gain of 803,668. These increases are highly significant in view of the downward economic trend in 1974. Affiliations with state and local central bodies have steadily increased since 1972. The need for improvement remains, however, and efforts will continue in this endeavor.

In recent statements the Executive Council has expressed awareness of the numerous contributions state and local central bodies make through their varied programs and activities. Their contribution in obtaining state legislation vital to the needs of the affiliates' members warrants increased support in the form of increasing the number of local unions affiliated with central bodies.

In this period of high unemployment the need for strong and effective central labor councils becomes more urgent than ever. That fact was noted by the AFL-CIO General Board in its "Action Program to Put America Back to Work" when it specifically pointed to those bodies as the vehicle for implementing manpower programs at the local level and for assuring prompt delivery of social services to the unemployed.

As noted earlier, the department not only has broadened its activities working with other departments at headquarters, but also has made new efforts to work with such allied organizations as the APRI, LCLAA, Frontlash and Concerned Seniors for Better Government. These organizations work with central bodies, especially in voter registration and get-out-the-vote. Field staff have been given specific assignments to work with local chapters of these organizations and especially to strengthen the relations between these chapters and the local central bodies.

The department has been given responsibility for servicing the AFL-CIO Executive Council Subcommittee on state and central local bodies. Its major current concern is to improve the level of affiliation with these central bodies.

The average affiliation rate throughout the country is somewhat less than 60 percent. A significant improvement in affiliation would contribute to the increased effectiveness of state and local central bodies. Better financial resources would enable central bodies to do more and in some cases might make possible full-time staff. Effectiveness of a state or local central body is bound to be influenced by increased participation and by the fact

that the more people they represent the more influence they have.

Affiliation, however, is only one element of the problem the subcommittee is studying. Improving the operating effectiveness of state and local central bodies is getting serious attention, because greater effectiveness by a central body is in itself a means for achieving a better percentage of affiliations.

Council Recommendation

To an increasing extent, implementation of AFL-CIO policy and priorities requires action by state and local central bodies. A case in point is the AFL-CIO Action Program to Put America Back to Work. Increased affiliation is the most significant single method of providing the added resources to central bodies necessary for dealing with their expanded responsibilities.

In spite of substantial success in recent efforts to increase affiliation with central bodies, it remains at far too low a level. For that reason, the Executive Council's Subcommittee on Central Bodies, has made this problem a major item on its agenda.

We call on all affiliated unions to cooperate with that subcommittee and the Department of Organization and Field Services in this important effort to increase the level of affiliation with state and local central bodies.

As a result of the reorganization of field services, AFL-CIO regional directors and their staff have become increasingly involved with state and local central bodies and with other AFL-CIO departments. The benefit of that closer working relationship has already been established. The Department of Organization and Field Services is urged to continue to explore ways of implementing the Executive Council's reorganization program so as to make the regional offices and central bodies integral parts of the full range of AFL-CIO operations and programs.

Organizing Activities

The period since the 1973 convention has been traumatic in terms of the political and economic crises confronting American workers. The rate of unemployment has contributed to an organizing atmosphere that could be characterized as unfavorable. Fear of job loss, in times of severely depressed economic conditions, is readily exploited by employers determined to frustrate their employees' organizing desires. All of this could have an inhibiting effect upon the organizing process.

But there is an offsetting factor arising from the common sense judgment of employees that in such times they need, more than ever, a strong voice representing their interests. Measuring the effect upon organizing of such opposing intangibles is not easy, but every union representative with organizing reponsibilities recognizes that such factors influence how workers react in organizing circumstances.

While final official figures from the National Labor Relations Board are not available for the period since the previous AFL-CIO convention, Department of Organization and Field Services data, however, discloses that AFL-CIO unions won approximately 6,000 NLRB representation elections covering over 152,000 employees in the period October 1973 through November 1974. Outside of NLRB procedures, AFL-CIO affiliates won additional units in the private sector via card-check or other forms of voluntary recognition, while, in the area of public employment, membership gains continued to be substantial.

In a recent appearance before the Senate Appropriations Subcommittee, NLRB Chairman Betty Murphy declared that her agency was entering its 41st year with the largest case intake since its inception, and with a growing backlog. She anticipated for fiscal year 1976 an increase in both representation cases and unfair labor practice cases—twice as many of the latter. She then commented on "the sharp increase in unfair labor practice" cases the board currently was receiving, verifying the observation with statistics showing that through March 1975 the board has experienced an increase of 13.6 percent above the actual fiscal year 1974 level. In the first nine months of fiscal 1975, 2,700 more unfair labor practice cases were filed than during the same period in the previous year.

Employer unfair labor practices traditionally account for the bulk of such cases—over the years accounting for approximately 80 percent of those resulting in issuance of complaints. The dramatic increase Mrs. Murphy described very likely reflects an employer response to the economic downturn. Employers apparently consider this a time to intensify a counter-organizing program by exploiting the fears of job loss.

As the number of unfair labor practices rises, the concern of unions over the board's performance in investigation of these cases also rises. With increasing insistence, those bearing responsibility for organizing are voicing criticism of the quality and adequacy of those investigations.

Union criticism of the board is not limited to unfair labor practice cases. A number of board decisions in recent years dealing with issues related to elections have generated dissatisfaction among union leadership. At the time of this report great concern was being expressed over a decision that eroded the policy the board had followed for some years in assuring some measure of access by employees to factual material in the pre-election period. Years of union effort to get board agreement to take stronger measures to provide an election atmosphere untainted by coercion and intimidation finally has resulted in the requirement that employers furnish a list of bargaining unit members—the so-called Excelsior list. Now the board has taken a backward step and has limited its insistence on compliance with the requirement.

Incidents of this sort suggest the type of board practices

that have caused a number of unions to request the Department of Organization and Field Services to act as a collecting and coordinating center for a program aimed at overseeing the board's operations, both at the top level and in the field, and to bring about necessary changes in the law. Several conferences of organizing directors of AFL-CIO unions have been held in response to those requests and an informal subcommittee of those directors is working with the Director of the Department of Organization and Field Services along the lines suggested.

In August 1974 the NLRB was given jurisdiction, through congressional action, over non-profit hospitals. As of February 1975, AFL-CIO unions had won 101 elections at such medical facilities, winning bargaining rights for 7,500 employees. In the same period of time, 404 election petitions had been filed with the board and 253 unfair labor practice charges had also been filed.

There are 1.7 million employees working in non-profit health care institutions. In its August 1974 statement, the AFL-CIO Executive Council hailed the passage of legislation that had brought these workers under the National Labor Relations Act. The council instructed the Department of Organization and Field Services to provide assistance to AFL-CIO unions undertaking organizing campaigns for the benefit of these underpaid and exploited workers.

In March 1975, the U.S. Civil Service Commission released an analysis of union recognition in the federal service for the period November 1973 to November 1974. It reported: "The statistics manifest a continuing acceleration in union-management negotiations. . . . Agreements have been negotiated in 213 additional recognition units, an increase of nine percent over 1973."

The report went on to state that 71 percent of all federal units are now covered by agreements, that the number of employees covered had increased by 18 percent to a new high of approximately one million, or 49 percent of the total nonpostal workforce. In the postal service, 87 percent of the employees are covered by exclusive recognition agreements; for the nonpostal sector, similar agreements cover 57 percent.

The report dealt for the first time with non-appropriated fund activities. There, too, increases were recorded both in general recognition and exclusive recognition agreements. The upward change in the number of agreements in the latter category was 8 percent and 20 percent in the former.

Membership growth has been continuing also in other parts of the public employment sector. The latest data on unionization of state and local government employees released by the Bureau of Labor Statistics, states that 814,000 state employees and 2,312,000 local government employees are union members. Membership growth has been so substantial in the last several years that those figures are probably inadequate to reflect the current status of union membership at the state and local level.

Cooperative Organizing Programs

Enlargement of the scope of responsibility for the department has not taken place at the expense of former areas of activity. This is especially true regarding organizing. Since the restructuring of the department, its staff has continued vigorous pursuit of the long-standing mandate to provide assistance to AFL-CIO affiliates in their organizing mission.

The department continues to assist AFL-CIO affiliates to establish and carry on cooperative organizing programs that pool the resources of the participating unions, diminish competitive organizing and make possible the development of organizing programs carefully constructed under AFL-CIO sponsorship are underway in the following areas:

Los Angeles-Orange Counties, California: Since the start of this program 12 years ago, over 275,000 employees have joined labor's ranks as a result of successful campaigns instigated directly by the program's operations.

Orlando, Florida: Originally centered in Tampa, the Florida AFL-CIO Cooperative Organizing program expanded to include the upper and central part of the state and early this year acceded to requests of the 12 participating unions to extend operations on a state-wide basis, "from Boca Raton into the Panhandle." As of March 1975, the participating unions had won 78 elections covering close to 20,000 employees. A number of local central bodies are cooperating with the state-wide program by establishing local volunteer committees.

New Orleans, Louisiana: This program, less than two years old, has enlisted the participation of 25 unions. Successes to date have numbered 6 out of 7 campaigns covering 1,300 employees. The unions also report a reduction in competitive organizing.

Puerto Rico: In March 1975, representatives of 20 AFL-CIO unions met in San Juan to map plans for a cooperative organizing program on that island, with a projected mid-summer launching.

Not all cooperative programs are geographical in their scope. Ten unions in the General Electric system banded together some years ago to form an informal cooperative organizing program for the employees of that corporate giant. In 1974, those unions deepened the cooperative concept by selecting a plant in Madisonville, Kentucky as a pilot effort at joint-assistance in organizing. With IUE as the petitioning union, IBEW, IAM, and the Steelworkers joined the AFL-CIO in assigning staff to work with IUE under direction of a coordinator appointed by the Department of Organization and Field Services. Their combined effort brought victory for the 1,100 workers, at that southern plant and pointed to the efficacy of this new dimension of cooperative organizing.

Farm Workers

The United Farm Workers Union continues its fight for the right of self-determination for farm workers in the fields of California, the Southwest, and in Florida, the base of the migrant workers stream that moves up the East Coast.

After five years of strikes and boycotts, the Farm Workers won major grape contracts in 1970 in the Coachella and Central Valleys. As those contracts neared expiration in April 1973, the Teamsters, in collusion with the growers, introduced a new dimension to the struggle by raiding UFW units. The bitter battle that ensued, described by President Meany in the Executive Council's report to the previous convention, continues.

After thousands of UFW members had been arrested, many assaulted, and two murdered, President Cesar Chavez called off the on-site picketing as the union launched another nationwide grape and lettuce boycott. Striking farm worker families left California, fanning out over the country to relocate in major cities in the United States to carry on the struggle by coordinating and engaging in a national boycott operation.

The boycott involved 700-800 UFW strikers working picketing supermarkets, door-to-door canvassing, speaking to local unions, schools, churches, central bodies and groups of people of good will who were willing to listen. The AFL-CIO urged its 14 million members and their families to support the boycott, and their response has given dramatic proof of the sense of union fraternity that marks the family of AFL-CIO.

The Department of Organization and Field Services staff has assisted the UFW by working with international unions, central labor bodies, state federations and community groups helping to carry on the boycotting activities and in raising funds so that the boycott activity could approach a self-supporting status.

Farm labor legislation passed by the California legislature promises to permit farm workers not only to vote for union representation but, equally important, to vote for the union of their choice. (See State Legislation.)

Boycott Activities

Participation of the department in boycott activity is an integral part of its organizational mission. In addition to the Farm Workers grape and lettuce boycott, similar boycotts of other unions have gained the expected support of the entire AFL-CIO and large sections of the consumer public as well.

The 21-month boycott of Farah slacks resulted in the company recognizing the Amalgamated Clothing Workers as bargaining agent for its employees. That boycott, triumphantly depicted in a special film shown to the delegates to the 1973 AFL-CIO convention, offered a prime example to thousands of unorganized

workers that the strength of AFL-CIO was available to be mobilized when workers have their organizing and bargaining rights frustrated by adamant and often illegal employer opposition.

The United Rubber, Cork, Linoleum and Plastics Workers of America instituted a boycott against the R&G Sloane Company in March of 1973 following a strike. Members of the department's field staff helped develop support for that effort in locations across the country.

The effect of a successful boycott in terms of organizing impact can not be minimized. In that context, the boycott becomes an extension of the organizing campaign.

Council Recommendation

Organizing the unorganized remains a major task for the American labor movement. The present depressed economic situation and its high rate of unemployment call for intensification of organizing effort since those circumstances add to the arsenal of fear employers use to thwart the organizing and collective bargaining desires of their workers.

Through the Department of Organization and Field Services, the AFL-CIO will continue to provide international unions with:

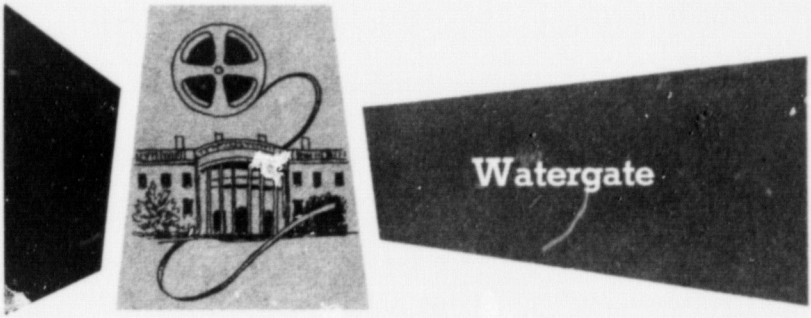
1—Direct assistance in specific organizing campaigns.

2—General technical assistance, including the development and operation of specialized training programs, in cooperation with the Labor Studies Center to the extent possible.

3—Service as a focal point for addressing problems affecting organizing that arise out of federal and state legislation, principally the National Labor Relations Act and its administration, and out of the operations and activities of labor-management consultants.

The department should continue to place special emphasis on cooperative organizing programs under AFL-CIO coordination and to pay special attention to those groups of employees for whom collective bargaining is essential for rising above even the minimum standards of decent family living; the whole range of white collar occupations, professional, technical and clerical; employees in the many service trades.

In exercising its organizing responsibilities, the department should continue to render whatever assistance is necessary and possible to enable farm workers to attain their collective bargaining aims through organizing, strikes and boycotts, especially where no machinery exists for demonstrating workers' desires for union representation, and through elections wherever state or national legislation makes such procedures available.



Watergate

Watergate—a nine-letter word meaning political corruption, illegality and immorality in the highest levels of government—has left America a scarred, but hopefully a better nation.

A bungled burglary and the attempted cover-up of that burglary blew the lid off a chain of political scandals, abuses of power and criminal acts that led into the Oval Office of the President of the United States.

As a result, Richard Nixon became the first President to resign—the first President forced from office in shame and disgrace.

On October 22, 1973, the 10th Constitutional Convention of the AFL-CIO called upon Richard Nixon to resign. The convention said: "If Mr. Nixon does not resign, we call upon the House of Representatives forthwith to initiate impeachment proceedings against him."

That statement followed one of the most turbulent weekends in American history. On the previous Saturday night, October 20, President Nixon brought the constitutional crisis known as "Watergate" to a head. The convention statement recounted the situation:

"In rapid succession, these events have taken place:

"The President demanded that Attorney General Elliott Richardson fire special Watergate prosecutor Archibald Cox. Richardson refused and resigned. The President demanded that Deputy Attorney General William D. Ruckelshaus fire Cox. Ruckelshaus refused and was fired. The President ordered his Solicitor General, Robert H. Bork, to fire Cox, and Bork, now Acting Attorney General, complied. The President ordered the FBI to seal off the offices of the special prosecutor, the Attorney General and the Deputy Attorney General—thereby, in effect, taking possession of the Watergate evidence."

It was, in the words of many commentators, "the Saturday night massacre." The victim was the Constitution.

A special breakfast meeting of the AFL-CIO Executive Council was called for Monday, October 22. The council sent to the convention a resolution calling on President Nixon to resign or face impeachment. It was adopted without dissent.

As the convention stated, "Impeachment is not a prospect we contemplate with pleasure. No decent American can derive any partisan satisfaction whatever from the misfortune of his nation. And surely the American labor movement is not interested in aiding any reckless attacks on the presidency."

Even without the "Saturday night massacre," a constitutional crisis was unavoidable. A special subcommittee of the Executive Council prepared a 91-page report for the convention—simply entitled "Watergate: A Story of Money and Politics"—which put the evidence to date in chronological fashion. It provided the delegates with the facts on which to base their decision.

The AFL-CIO thus became the first responsible national organization to call for the resignation or impeachment of the President.

Reaction was swift. The White House and conservative allies of Mr. Nixon led a broad campaign to discredit the AFL-CIO by claiming Mr. Nixon was innocent and that the AFL-CIO was going to use its "political muscle" to impeach a President for political reasons.

The National Right-to-Work Committee, fronting for the White House, attempted to draw some connection between 1972 campaign donations to COPE-endorsed members of the House Judiciary Committee and impeachment. Others claimed it was just "politics."

Their intent was clear: Ignore the evidence; forget the facts; confuse the issue.

From the day the convention adopted its resolution, it was apparent that Mr. Nixon was going to resist resignation. Impeachment, then, was the only constitutional process to cleanse the highest office in the land.

Impeachment, however, is not an issue that lends itself to lobbying. Unlike minimum wage or national health insurance, impeachment is not a partisan political process. It is a trial. Just as it is improper to "lobby" a jury, so, too, is it improper to "lobby" the Senate, which sits as the jury in an impeachment trial.

What was necessary, therefore, was an education campaign to present to the American people, factually and devoid of emotion, the reasons why this country should undergo the trauma of impeachment.

The AFL-CIO prepared and distributed to union members its "bill of particulars"—"Why Richard M. Nixon Must Be Impeached—Now." A series of nine additional pamphlets, each de-

tailing the evidence supporting a separate impeachable offense, were prepared and sent to union members.

The AFL-CIO News printed each of the pamphlets as a full page, and nearly 200 union papers also reprinted one or more of the statements. Including the pamphlets and newspapers, approximately 30 million copies were reproduced.

The special Watergate report to the convention was revised and updated, providing factual background material on the still unfolding crisis.

An editorial in the AFL-CIO News by President Meany—"A Full and Fair Hearing"—which explained the impeachment process, was also widely distributed. In it, President Meany noted: "Impeachment is not conviction. It is, indeed, the only way the President can have due process of law and the public have the truth."

As the AFL-CIO Executive Council stated on February 18, 1974: "The truth is what America needs. It needs no more delays, deceptions, denials and defiance. Of all these, America has had enough."

The impeachment process had already begun. Patiently, painstakingly, the House Judiciary Committee compiled the evidence. Because evidence—and not political considerations—is properly the only basis for impeachment, AFL-CIO legislative representatives were directed not to contact any representatives or senators on the issue of impeachment.

Once the impeachment inquiry began, the AFL-CIO deliberately "exercised restraint in its public statements" on Watergate, as the Executive Council said, "out of respect for the judicial process."

After release of the transcripts of 42 presidential conversations, the council noted that in an impeachment there are two juries—the Senate, which must judge guilt or innocence on the specific articles set forth in a bill of impeachment, and the American people, "who have, and exercise, the right each day to pass judgment on how the man they elected President conducts himself in office. We are part of that jury."

This was the Executive Council's judgment:

"The very existence of the presidential tapes is an outrage. Their contents—as best we can glimpse them through the edited transcripts—are sickening. The atmosphere they reveal in the White House—of meanness, of paranoia and conspiracy, of loyalty repaid by contempt—leaves a lasting stain on our highest office."

It was a judgment shared by the vast majority of the American people.

As the Judiciary Committee weighed the evidence in public session and voted three articles of impeachment, the Council made its last statement on impeachment:

"We take no satisfaction in contemplating the removal from

office of the nation's first Chief Executive to be ousted in the long history of the Republic. But we believe the nation cannot shirk from this distasteful task for nothing less than the moral fibre of the country is at stake.

"We do take satisfaction, however, from the new evidence that our faith in the American system of self-government is warranted. That evidence was the courage, eloquence and patriotism demonstrated so repeatedly in the televised sessions of the Judiciary Committee. It proved beyond challenge that this is a government of law and that these public servants are men and women of integrity."

Indeed, nine months previous, when the AFL-CIO Convention adopted its resolution it took note of what Special Prosecutor Cox said at the time of his dismissal: "Whether we shall continue to be a government of laws and not of men is now for Congress and ultimately the American people to decide."

The Congress and the American people had decided.

Forced by a unanimous Supreme Court, President Nixon released what his supporters called "the smoking gun"--a previously secret transcript revealing direct presidential involvement in the coverup.

Under pressure from the members of his own party and his most loyal supporters, and facing certain impeachment in the House and conviction in the Senate, Richard Nixon resigned on August 9, 1974.

One month later, on September 8, President Ford granted Richard Nixon "a full, free and absolute pardon . . . for all offenses against the United States which he . . . has committed or may have committed . . . during his tenure in office as President."

Thus, the American people were denied the final truth—the conviction or admission of guilt. But they had already made their decision. The evidence was in, and Richard Nixon was guilty.

The toll of Watergate was heavy: 50 men, including two former attorneys general and 14 former White House aides or Nixon campaign officials, were convicted or pleaded guilty. A President resigned. His twice-chosen Vice President was also forced to resign for unrelated criminal activities.

The toll on the country was even higher: Public confidence in government was severely shaken.

But, in the final test, this system of self-government did work, and we in the labor movement can be proud that our faith in America stood that test. As the convention stated:

"Justice must be done, the risks of not doing it being more than a democracy can safely bear."

The Economic Situation

The economic situation in America is, in brief, a mess.

High levels of unemployment will persist for the remainder of the 1970s, in the wake of the deepest and most prolonged economic decline since the Great Depression, unless the government adopts decisive measures to create jobs and carry the economy forward.

Two back-to-back recessions in 1969-1970 and 1973-1975, accompanied by inflationary pressures, were largely the result of the economic policies of President Richard Nixon and Arthur Burns. These policies remained essentially the same after President Gerald Ford took office. The conditions they produced, compounded by the Arab-dominated oil cartel's six-month embargo and more than fourfold boost of crude oil prices, left the national economy in mid-1975 in the most dangerous mess in 40 years.

The national economy and American society were more vulnerable to the effects of adverse events at home or abroad than in several decades. The basic fabric of American society was threatened. Yet there was no indication that President Ford and the Administration's key economic-policy threesome—Arthur Burns, William Simon and Alan Greenspan—were sensitive to the inherent dangers in the condition of the national economy. Indeed, they strongly opposed measures to generate a vigorous economic pick-up and rapid progress to full employment.

Moreover, Congress, in the first half of 1975, failed to adopt a decisively expansionary budget policy or to override President Ford's vetoes of job-creating measures to supplement the tax cut and extended unemployment benefits that had been enacted.

The resulting outlook is for an anemic pick-up, resulting in persistent high unemployment, large amounts of idle plants and machines, a sluggish pace of productivity improvements and continuing, large deficits in the federal budget.

The economic situation in the April-June quarter of 1975 included the following highlights:

- The number of unemployed rose to 8.2 million or 8.9 percent of the labor force—in sharp contrast to the 2.7 million or 3.4 percent level of unemployment in the first six months of 1969, when the Nixon-Burns policies were installed.
- About 1.2 million workers, who were willing and able to work, had become so discouraged by the employment outlook that they gave up seeking jobs. A more accurate unemployment rate, therefore, was 10 percent. In addition, 3.7 million were on part-time schedules because full-time work was not available. This added up to 13.1 million unemployed and underemployed workers.
- Depression-level rates of unemployment hit major groups of workers. Unemployment rates were 20.5 percent among teenagers, 20.7 percent among construction workers, 14.3 percent among blacks and 12.2 percent among factory workers. The unemployment rate among black teenagers was 37.8 percent. Among 20-24-year-old men, the rate was 15.1 percent—almost double the 1973 rate and about triple the rate of the late 1960s. And among heads of households, the jobless rate was 6.1 percent —similarly about twice the level of 1973 and approximately three times the level of 1967-1969.
- The drop in consumer buying power from the July-September quarter of 1973 was so great that the 1975 tax cut offset merely a portion of the reduced purchasing power. The buying power of the average worker's weekly take-home pay in the second quarter of 1975 was down 1.6 percent from a year before and 7.6 percent from the peak reached in October 1972. Even after including the impact of the tax cut, which became effective on May 1, 1975, it would have required an increase of $21 billion in after-tax personal income merely to bring the per capita purchasing power of the American people back to where it was in the summer of 1973 before the recession started; and much of that impact was scheduled to fade away after mid-1975 and to disappear at the end of the year.
- The home-building and auto industries remained in a depression—down about 50 to 60 percent from the early months of 1973—with no expectation of a strong, early revival.
- Such depressed conditions in key parts of the economy—combined with the sharp drop in consumer buying power—resulted in business attempts to reduce the swollen inventories accumulated in 1973 and 1974 to beat further price boosts and possible shortages. Inventory reductions—through cutbacks in orders, production and employment—may continue into the early months of 1976 in many industries.
- The decline in production after the recession started in November 1973 was so steep that industrial production—the output of factories, mines and utilities—in the second quarter of 1975 was back to the level of 1969. The real volume of total na-

tional production was not much different from the same period of 1972.

- Industry's operating rate dropped to the lowest level since the end of World War II. Only about two-thirds of the manufacturing capacity of manufacturing industries were utilized, according to the Federal Reserve Board, a decline of approximately 20 percent since the summer of 1973. The operating rate of the major materials industries, such as steel and chemicals, fell about 25 percent in that period to 70.2 percent of productive capacity.
- With such large amounts of idle productive capacity and continued high interest rates, business was reducing its investment in plants, machines and equipment. The real volume of such business outlays started to decline after mid-1974; in 1975, the decline is expected to be in the neighborhood of 10 percent. This trend may continue through 1976, until businessmen are convinced that the increased output of expanded and modernized plants and machines can be sold profitably. The decline in business investment hit industrial construction and the machinery industries. It can also adversely affect the pace of advancing productivity several years in the future.
- Interest rates on short-term loans moved down from the record peaks reached in the Spring and Summer of 1974, when the Federal Reserve, under the chairmanship of Arthur Burns, put the economy through a very severe tight-money wringer. This was a repetition of the previous monetary crunch of the second half of 1969 and early 1970, although at a much higher level of interest rates. However, rates on long-term loans for mortgages and business expansion in the first half of 1975 remained close to their record peaks and acted as a deterrent to the growth of sales, production and employment.
- The squeeze on state and local governments—particularly cities—from high interest payments, falling tax revenues and the increased social costs of unemployment resulted in layoffs of public employees, cuts in services and postponed efforts to improve public facilities and services.
- New York City was in an extreme financial crisis and other cities reported that they were close to similar straits. New York's crisis, compounded by Administration indifference and Federal Reserve policies, added to many cities' difficulties in floating bond issues.
- Many businesses, as well as consumers and some cities, found themselves burdened in 1974 and the first half of 1975 with large debts, falling incomes and the threat of impending bankruptcy. Many of the nation's over-extended banks faced insolvency if payments on the huge business loans, extended in 1973 and 1974, could not be met.
- The pace of economic decline, which had attained frightening momentum between September 1974 and March 1975, slowed down considerably in the second quarter of the year. The sharp

drop of consumer income was cushioned by the automatic operation of the unemployment insurance system, enactment of extended unemployment benefits and the operation of supplemental unemployment benefit plans under the terms of some major collective bargaining agreements.

- Although average unemployment benefits were less than $69 a week, total payments of $1.3 billion per month—including extended benefits—cushioned the sharp drop of wage and salary income. A small public-service employment program created about 300,000 jobs for the unemployed and provided an added cushion to the drop in workers' income.

- Consumer after-tax income was given a substantial, temporary lift by adoption of the $23 billion tax cut, most of which became effective on May 1, 1975, and most of it for low- and middle-income families. The distribution of $8.1 billion in tax rebates in May, combined with reduced withholding and other individual income tax reductions, added more than $10 billion to consumer incomes in the April-June quarter. This was to be followed by close to $3 billion in the third quarter and a similar amount in the final quarter of the year, fading to merely a $1.8 billion tax reduction in the first half of 1976. This measure also provided $1.7 billion in payments to recipients of Social Security and Railroad Retirement benefits in the Spring quarter of 1975 and $700 million in the first half of 1976 to workers whose earnings are too low to pay taxes.

- The boost to consumer income in the Spring of 1975 provided some improvement in consumer confidence from the record low-point of the previous winter, although it was still at a very low level. This degree of improvement in consumer confidence was bolstered by the reduced pace of inflation during the first five months of 1975. These factors contributed to small increases in the real volume of retail sales, beginning in March, after a long period of decline. But most key parts of the economy—such as auto, steel and homebuilding—remained weak or declining, while businesses were cutting their inventories and their investments in plants and machines.

These developments occurred in a weakened financial and international economic environment as a result of over six years of roller coaster economic trends, which had badly jolted most consumers, many businesses, banks and institutions.

"Lax regulation and the pursuit of quick profits in the past decade," the Executive Council noted on Nov. 7, 1974, "have weakened the banking system. This weakness has been complicated by the mushrooming growth of international banking operations—to 750 branches of U.S. banks abroad and 143 foreign bank branches in the U.S.

"The floating of the world's major currencies, following two formal devaluations of the American dollar in 14 months, has been accompanied by gambling in foreign currencies, with losses of tens of millions of dollars and bank failures overseas, as well

as severe strains at home. Short-term investments of Arab oil funds in domestic and foreign commercial banks, as well as tight money and declining economic activities, are increasing the vulnerability of America's over-extended banking system."

Moreover, the floating of the currencies left international monetary relationships in disarray. The dangers in this disarray were aggravated by the existence of a large and unregulated Eurocurrency market of unknown size, including as much as $200 billion in American dollars; the unregulated global operations of the multinational companies and international banks; the sudden and extraordinarily sharp increase in the price of crude oil; the equally sudden and sharp rise in the liquid assets of the major oil exporting areas, particularly the rulers of the sparsely settled Arab areas, such as Saudi Arabia and Kuwait; the lack of a comprehensive U.S. government energy policy and the absence of continuing U.S. leadership in rapidly developing a cohesive oil and energy policy among the free world's major oil importing countries; the ever present threat of further oil blackmail, another embargo and additional increases in the price of crude oil; the lack of U.S. government regulation of technology and capital outflows; imports, exports and no effective regulation of foreign investment in the U.S.

Yet the Ford Administration seemed determined to achieve a painfully slow pick-up after the bottom of the worst recessionary decline since the 1930s was reached. Administration spokesmen claimed that the $23 billion tax cut and extension of unemployment benefits were sufficient or more than enough, and little if anything additional was necessary. The Administration emphasis was on so-called natural economic forces—a form of economic mysticism. The Administration also imposed a $2 per barrel tariff on imported crude oil and threatened to deregulate the prices of domestic natural gas and domestic crude oil from old wells.

In mid-1975, several factors appeared that raised the possibility of an aborted pick-up from the recession. The Federal Reserve, under Arthur Burn's leadership, moved to counteract the stimulus of the emergency tax cut which went into effect on May 1, by shrinking bank reserves and raising interest rates. The Arab-dominated oil cartel announced that it would raise crude-oil prices. In combination with President Ford's import duty and threatened de-control of "old oil and natural gas prices, it could cost the economy as much as $40 billion in energy costs plus a rippling-out impact on prices of fertilizer, food, petrochemicals and most other goods. Large Russian grain purchases boosted farm-product prices immediately and further Russian purchases, in the absence of government export controls, could send food prices soaring again. In addition, almost all of the emergency cuts in the individual income tax were scheduled to terminate at the end of 1975, resulting in an automatic tax increase on Jan. 1, 1976, if the tax cuts were not extended. The

combination of such events, or a major part of them, could reverse any upward momentum that may have developed by the end of 1975.

The President and the Burns-Simon-Greenspan trio attempted to focus the attention of the country and the Congress on the size of the budget deficit, which resulted from the recession they created, in order to ward off additional measures to stimulate the economy and create jobs. Unfortunately, congressional majorities in the first-half of 1975 indicated, by their votes on budget ceilings, that their basic economic-policy views were hardly different from those of the Administration.

However, the Administration and staff experts of the congressional budget committees agreed that such policies will inevitably mean persistent high levels of unemployment for years into the future. Although these policies were adopted in the name of holding down the size of the federal budget deficit, persistently high unemployment and a weak economy will mean year after year of large federal deficits, due to inadequate tax receipts and the social costs of high levels of unemployment. An anemic pick-up from the 1973-1975 recession will also mean continued large amounts of idle plant and equipment, resulting in a weak upturn in business investment in plants and machines and a merely sluggish advance in productivity.

Major Trends, 1973-1974

On Feb. 23, 1973, the Executive Council called attention to the dangers of the restrictive policies that were being installed by the Administration and the Federal Reserve in the weeks that followed the national elections of November 1972. The council stated: "The Administration's proposed cuts of essential government programs and predictions of a tightened monetary policy—with interest rates already moving up—can bring a substantial slowdown in the pace of the economy's expansion, if they become a reality. Moreover, the probable slowing in the rise of consumer expenditures, which account for close to two-thirds of total national output, can add to the emergence of growing economic difficulties before the end of the year."

Through 1973, the council continued to point out the adverse effects of these restrictive policies, the declining trend of workers' buying power after reaching a peak in October 1972 and the growing need for measures to reverse these trends.

On Oct. 19, 1973, the 10th Constitutional Convention of the AFL-CIO adopted a resolution, which declared: "The Administration's policies are producing a sharp economic slowdown and threatening a general recession, with production cutbacks and rising unemployment."

The longest and steepest recessionary decline since the 1930s started in November 1973. It took the Administration more than a year to admit that fact, and the ability of the leading academic

economists to spot the recession was hardly any better. But as early as its meeting on Feb. 21, 1974, the Executive Council called for immediate government measures "to get the economy on the road to balance and health" and declared:

"The second Nixon recession has begun.

"Industrial production has declined sharply in each of the last two months. Unemployment is rising rapidly. Living costs are soaring. The living standards of the American people are being undermined. Housing is in a depression.

"The government has not leveled with the American people and has no plans to meet this crisis.

"Today's decline is based on the complex economic mess that developed in 1973, which has been compounded severely by the energy crunch.

"The Nixon Administration's policies have resulted in accelerating inflation since the summer of 1972. This stepped-up pace of rising prices was touched off by the huge Russian grain deal in July 1972. It was made far worse by the devaluations of the American dollar, which resulted in large-scale exports of farm products and crude materials, such as steel scrap, copper scrap and waste paper, which are in short domestic supply.

"The Administration's adoption of restrictive monetary and fiscal policies, at the beginning of 1973, were the wrong approach. These policies could not possibly stem this inflationary tide. But they brought interest rates to record levels and slowed the economy, at the same time as the buying power of workers' take-home pay declined. Moreover, rising interest rates added to inflationary cost and price pressures throughout the economy.

"The Administration's shifts from Phase II to Phase III, Freeze II and Phase IV did nothing to halt the accelerating rise of living costs. They continued the so-called stabilization program's record of unfairness and imbalance. Moreover, they generated uncertainty and a further decline of public confidence in the government's ability to deal with economic problems.

"The energy crunch, which was superimposed on this weakened condition, is resulting in added inflationary pressures, layoffs, cutbacks in weekly working hours and reduced living standards."

Under the impact of Federal Reserve policies, interest rates began to rise sharply toward the end of 1972, quickly hitting the residential construction industry and adding to pressures on prices. From a 5½ percent rate in the Fall, the prime interest rate, which commercial banks apply on loans to the major companies, reached 8½ percent by the following July—the all-time record that previously prevailed between June 1969 and March 1970. By September 18, it had soared to 10 percent, and then eased slightly to 8¾ percent toward the end of February 1974. In March, the Federal Reserve slammed on the brakes once again and interest rates soared to new heights.

The buying power of the average worker's after-tax weekly earnings, which began to drift downward following October 1972, fell in almost every month after mid-1973. This decline in the buying power of workers' pay—combined with the impact of rising unemployment, soaring food prices and declining consumer confidence—began to hit retail sales in the Spring of 1973. The real volume of retail sales declined slightly in the April-June quarter and dropped sharply in the Winter months of 1973-1974, as the effects of the Arab oil embargo and sharp rise in the price of gasoline and other petroleum products spread through the economy. With consumers spending more money for less food and oil, sales of most consumer goods weakened, particularly sales of expensive items. Auto sales were hit hardest by the combination of developments.

On May 9, 1974, the Executive Council pointed out that "the Nixon Administration has trapped the American people in the tightening vise of an inflationary recession. . . . The economy's complex mess has festered so long that no one-shot device or simple remedy can provide a workable solution. Immediate government measures are needed to restore public confidence and economic health." It explained that "the Federal Reserve, headed by Dr. Arthur Burns, is putting the economy through the wringer of a tightening money supply and the highest interest rates since the Civil War," while the Administration's response to the energy crises "has been to encourage price increases for oil and petroleum products."

Unemployment began to rise with the onset of the recession, and by April, as the council showed, it was up to 4.5 million or 5 percent of the labor force—from 4.1 million or 4.6 percent in October 1973, before the economic decline got under way. Despite the recession, after-tax corporate profits continued to increase rapidly.

The Federal Reserve's money crunch continued to tighten. The prime interest rate skyrocketed to 12 percent on July 5, 1974, and it remained at that phenomenal level until October 7. During all of this period since the beginning of 1973, the Administration also held down the expansion of many government programs, phased out some and impounded billions of dollars of congressionally-appropriated funds for such specific purposes as sewers and waste treatment plants.

On Aug. 5, 1974, the Executive Council pointed out that "the stepped-up pace of inflation . . . started during Phase II of the Administration's so-called wage-price controls—with their one-sided control of workers' wages, meager control over prices, no effective control over interest rates and no control at all on corporate profits. This rising tide of inflation continued through Phase III, Freeze II and Phase IV of the fraudulent stabilization program, which ended on April 30, 1974. Inflation is still continuing to climb. . . . Living standards of most Americans have been severely jolted, particularly low- and middle-income

families with children, and elderly persons retired on fixed incomes."

The government's misguided response to this situation, during a recession, was the Federal Reserve's severe money crunch and soaring interest rates. In a statement, entitled "The High Interest Rate Peril to the American Economy," adopted on Aug. 5, 1974, the council declared: "This policy has pushed the national economy to the brink of disaster. A depressed home building industry, declining national production and increased unemployment have been added to runaway inflation. The threat of business failures, drawn-out recession and continuing inflation hang over the nation, as a result of the present money crunch. . . .

"This spectacular rise of interest rates is adding sharply to inflationary pressures. It is directly boosting prices throughout the economy, as business passes on increased interest-rate costs. The Burns' cure for inflation—creating slump conditions—is depressing productivity and adding to upward pressures on unit costs and prices. In the name of fighting inflation, Dr. Burns has made the Federal Reserve an engine of inflation.

"Housing starts fell 13 percent in 1973 and, in the first half of 1974, dropped 31 percent below the same period of last year. Building permits have fallen even more sharply in recent months, pointing to a further decline in housing starts, which will add to the housing shortage that already exists. . . . Major cities and counties have found it impossible to float needed bond issues at current interest rates, resulting in the postponement of improvement in community facilities and services, as well as curbing the growth of job opportunities.

"Public utilities, confronted by these interest rates and high fuel costs, are cutting back plant expansion despite the need for additional gas and electricity facilities. . . .

"Such cuts in private and public investment—combined with depressed residential construction and continued weakness in retail sales—pose the danger of widespread reductions of the large inventories business accumulated in the past year. The result could be cancellation of orders for goods in the coming months and a general drop in production, working hours and employment.

"Moreover, the Federal Reserve policy is discriminatory. It favors the powerful big-city commercial banks, wealthy money lenders and the money-laden major corporations. It hits workers and consumers, home builders and home buyers, communities, smaller businesses and even those corporations, like public utilities, that need lower interest loans."

Once again, on August 5, the Executive Council called on the Congress to intervene in this situation, to direct the Federal Reserve to change its policies and to restore public confidence. Congressional inaction, lack of congressional interest in national economic policies and the trend of these economic events of

1973-1974 permitted the Administration and the Federal Reserve to maintain their policies intact.

President Nixon resigned in early August and was succeeded by Vice President Gerald Ford. The new President was greeted as a man of integrity and candor. But most of the Administration's major economic advisers and its basic economic policies remained the same.

At the Administration's Labor Conference on Inflation in the East Room of the White House on Sept. 11, 1974, AFL-CIO President George Meany told President Ford and the Administration leaders who were seated around the conference table:

"As worried as our members are about inflation, they are also very concerned about recession—the forgotten twin of America's economic woes. . . .

"It would be bad government, in our view, to fight inflation by making recession worse. . . .

"Today's inflation is not caused by excessive demand, which is the classic reason for inflation—too many dollars chasing too few goods. Hence, we believe that budget cuts, high interest rates and tight money—which might be appropriate weapons against excessive-demand inflation — simply will not work on today's inflation.

"Indiscriminate budget cutting could compound recession; higher interest rates could only insure high prices; tight money only chokes an economy that needs to grow.

"Unemployment hurts people. It is easy for government economists to talk about 'acceptable' rates of unemployment, but it is very difficult for the people who are unemployed."

At the Administration's Summit Conference on Inflation, chaired by President Ford, on Sept. 27, 1974, Mr. Meany explained to the President, the assembled participants and the nationwide television audience:

"Inflation—particularly today's double-digit inflation—gravely troubles workers and their families. . . . But workers are equally scared by recession. Recession and rising unemployment spell certain economic disaster for working people.

"A job is a worker's only hedge against inflation. The average worker has no tax-free municipal bonds, no speculative real estate holdings, no warehouses in which to hoard huge inventories to sell later at inflated prices. A paycheck is all that he has. And government policies should not take that away from him.

"Workers are skeptical. They've heard optimistic rhetoric before. They've been subjected to one-sided, unfair controls. They've seen their wages held in a straitjacket while everything they had to buy and the rents they had to pay went up—and while their employers profited without restraint and without criticism. They've read editorials urging them to be restrained in their wage demands and, on the financial pages, they have seen profit figures that were unbelievable.

"Frankly, workers are not going to be impressed by speeches

at a summit meeting. They want action that is going to meet the problems of people—high food prices, high fuel prices, high interest rates, high unemployment.

"I want to re-emphasize a point that has been made many times before by AFL-CIO representatives. We will cooperate with an equitable program to bring the economy into balance. . . .

"For 5½ years, workers have heard predictions based on nothing more than hope. In fact, they were even assured that there wouldn't be the recession there is right now.

"And yet, Mr. President, your advisers seemingly want to use the same policies which, for 5½ years, have been taking America down hill. They seem to be saying that the choice is inflation or recession. I don't buy that, and I don't think the American people do either. A policy that fights inflation by creating a depression is worse than no policy at all. . . .

"Obviously, the easy way to fight inflation is to have a depression. If there is anything this summit should agree on, it is that a depression is no solution at all.

"But a depression is precisely the direction in which this economy is headed, because the policies of your advisers are designed to combat excessive-demand inflation . . . and today's inflation does not fit that classic definition. Broad-axe budget-cutting will only increase unemployment. Tight money is strangling housing and the nation's economic growth. Higher interest rates are feeding high prices. . . .

"What is needed, Mr. President, are compassionate, sensible, equitable policies—presented to the American people with honesty and candor. If the policies of this Administration meet that test, they will have our complete support."

By October and November, sales, production and employment began to drop sharply. Unemployment, which had been rising during the previous 12 months, started to shoot up.

By December, the number of jobless was up to 6.6 million or 7.2 percent of the labor force and 850,000 additional workers had given up their job search, in discouragement. Manufacturing industries were operating only 75.9 percent of productive capacity in the October-December quarter.

The Federal Reserve eased its severe monetary crunch only to a slight degree. The prime interest rate moved down to 11¾ percent on October 7 and to 10½ percent on December 2, and there was a decline of rates on short-term loans. But interest rates on long-term loans, such as mortgages, remained at or very close to their peaks.

Instead of proposing measures to halt the recession, President Ford called for a budget surplus, an increase in taxes on families with incomes of $15,000 and above and for cuts in government expenditure programs for the poor, the aged and veterans.

In the final three months of 1974, the downward spiral gained momentum. The economy was in a headlong plunge.

Economic Emergency—AFL-CIO Action Program to Put America Back to Work

By the beginning of 1975, it was clear that there was an economic emergency. The economy's headlong plunge continued. Public confidence fell to a record low point.

President Meany called an emergency session of the AFL-CIO General Board, which met in Washington on January 23 and adopted an action program to put America back to work. The text of the Action Program follows:

America is in an economic emergency. The recession, which began more than a year ago, is already the most prolonged and the deepest since the 1930s. There is no end in sight.

The downward spiral is gathering momentum. In December, industrial production tumbled 2.8 percent, on top of a 4.6 percent decline in the previous 12 months. Public confidence in the government's ability to manage the economy continues to erode from one record lowpoint to another.

The country is on the brink of depression. Immediate, massive, emergency measures are required to turn the economy from the edge of disaster.

Without this emergency action, unemployment will feed on unemployment. Production cutbacks will spread further. The threat of widespread bankruptcies of businesses and banks will become reality.

Therefore, to spare the American people the misery of a depression and to turn the economy around and provide jobs for American workers, the AFL-CIO General Board urges the following immediate actions by the Congress and the President.

I. An immediate tax cut of at least $20 billion, primarily for low- and middle-income taxpayers, to stimulate the economy through added purchasing power.

Specifically, we urge immediate congressional consideration of the unanimous compromise recommendations of the Labor-Management Advisory Committee to the President. This emergency tax package calls for:

1—A $15 billion cut of individual income taxes, effective Jan. 1, 1975, through reduced withholding from paychecks, heavily weighted on behalf of low- and middle-income families, by means of a $70 tax credit per exemption and a 5 percent cut in the tax remaining after exemption credit, with a maximum cut of $375 per return; and

2—A $5 billion cut in corporate taxes to create jobs through an increase in the investment tax credit from the present 7 to 12 percent on business investment in equipment and machinery in the United States and from the present 4 to 12 percent for utilities.

The President ignored the recommendations of his Labor-Management Advisory Committee. He proposed a 12 percent tax rebate, up to a maximum of $1,000. This would amount to less

than $12 for a family of four earning $5,000 and only $157 for a similar sized family earning $12,500 a year. By contrast, a family would have to have an income of more than $41,000 (about 2 percent of U.S. families) to receive the maximum $1,000 rebate.

The President's proposal would not stimulate the economy, because it gives the bulk of its benefits to those income groups who don't need it. Low- and middle-income families, those hardest hit by inflation and recession, need a tax cut in order to purchase consumer goods and they need it every week, not just in two pitifully small lump sums. Therefore, we will oppose the President's lopsided rebate proposal.

In addition, we will support enactment of a program to give relief to those working poor who pay no income taxes because their earnings are too low. Such a program will also stimulate the economy by giving added purchasing power to those who need it the most.

Following enactment of the needed emergency tax-cut stimulus for the economy, we urge the appropriate committees of the Congress to promptly begin work on closing the loopholes of special tax privilege for the wealthy and corporations. Only through tax justice will the government's needs for tax revenue be met by a fair and equitable tax structure.

II. Immediate government measures to reduce America's dependence on imported oil and establishment of a fair and equitable system of allocation and rationing.

President Ford's energy proposals are rationing by unfair taxation and high prices and would not conserve energy. He has proposed unfair tax and price increases for oil and natural gas which would be passed on to all consumers without distinguishing between essential and unessential consumption. In fact, increased energy costs would far exceed the President's proposed tax reductions for the vast majority of American families.

His proposed so-called "windfall profits tax" is not a tax on profits at all. It is yet another excise tax on each barrel of oil and will be paid by consumers. His proposed reduction in the corporate tax rate is economically unjustified.

Therefore, the AFL-CIO urges the Congress to take the following immediate actions:

1—Enact a quota on oil imports, including a ban on such imports originating in those countries that embargoed oil to the United States and Holland in 1973-74.

2—Take the importation of oil out of private hands and place it in the hands of government. The government should determine the amount of oil imported, negotiate its price and provide for its internal allocation.

3—Establish a fair and equitable system of allocation and rationing to minimize regional, industry and individual hardships.

4—Reject the President's proposal to deregulate the price of natural gas and decontrol the price of domestic crude oil. In

addition, the government should revoke the lease of any oil or natural gas producer who refuses to pump supplies discovered on land leased from the United States. These leases should then be turned over to companies who will produce the needed supplies.

5—Block the President's imposition of a $3 per barrel duty on imported oil. This proposal is nothing more than another excise tax which would be paid by consumers and is particularly discriminatory against the industrialized Northeast.

6—Encourage enforcement of the reduced highway speed limit, encourage drivers to reduce optional trips, increase operating subsidies to mass transit for fare reductions.

7—Terminate U.S. government subsidies for the giant international oil companies, including elimination of the depletion allowance on foreign oil operations and the dollar-for-dollar credit against U.S. taxes for these corporations' royalty and tax payments to foreign governments.

8—Adopt a genuine excess profits tax, such as the successful tax in effect during the Korean War.

9—Stretch out present environmental restrictions on energy production and use to reduce energy consumption and facilitate expansion of domestic energy output. This is a matter of timetable not of objectives. The advance of technology and development of clean energy sources can permit realization of environmental objectives. The two programs should be viewed as compatible parts of a single problem. Extension of auto emission control standards should provide that the auto companies be required to increase mileage per gallon and to lower prices, dollar-for-dollar, for any cost reductions enjoyed as a result of an extension.

10—Establish a petroleum stockpile to guard against future oil embargoes.

When these emergency steps are taken, the Congress must then begin work on creation of a federal oil and gas corporation to provide a yardstick for new energy exploration and development; launch a crash program to develop alternative energy sources and technology; investigate monopolistic practices of the giant oil companies; and regulate foreign investments in the U.S. from the oil-producing areas of the Middle East.

III. Immediate reduction of interest rates and allocation of credit for high-priority social and economic activities.

Under the Credit Control Act of 1969, the President has the authority to direct the Federal Reserve Board to reduce interest rates and allocate credit. If he continues to refuse to use this authority, the Congress must enact legislation mandating the Federal Reserve Board to take these actions.

Significantly lower interest rates are essential to restore the health of the homebuilding industry and to encourage the general expansion of sales, production and employment. In addition, available credit must be allocated for housing, local government facilities and basic industrial expansion. Curbs must be placed

on the extension of credit to speculators, gambling casino operators and foreign borrowers.

The AFL-CIO also urges the following actions:

1—Presidential reactivation of all programs for low- and middle-income housing. Revival of these programs, already authorized and funded by the Congress, would support the construction of thousands of needed housing units, providing jobs on the construction sites and in the various supply industries.

2—An immediate reduction in interest rates for FHA and VA home mortgages to 6 percent under federal mortgage assistance programs.

3—An immediate review of government regulations holding up the awarding of federal funds for the construction of housing.

4—Establishment by the Congress of a government agency to be the lender of last resort for business and state and local governments. The interest rates should be reasonable and loans should be directed at the preservation and creation of jobs in the private sector, including housing, as well as to assist state and local government efforts to maintain and expand public facilities and services.

In addition, the Congress should immediately undertake a broad review of federal housing programs with a view toward expanding federal efforts, better coordinating programs and reducing unnecessary red tape. If the United States can make loans of U.S. taxpayer money to the Soviet Union at 6 and 7 percent interest rates, then it can surely authorize home mortgage loans to the American people at similar interest rates.

IV. Immediate, massive federal efforts to create jobs for the unemployed.

There is only one solution to unemployment, and that is jobs. Therefore, the AFL-CIO urges emergency action on the following job-creating programs:

1—Immediate release of a substantial portion of the $19 billion in appropriated funds impounded by the President. Priority should be given to releasing those funds that would create jobs. Specifically:

a. $9 billion of the impounded funds for construction grants for sewers and waste treatment plants.

b. Nearly $4.4 billion for federal aid to highways.

c. $372.5 million for hospital construction and modernization.

In addition, we urge the President not to carry out his announced intention to impound about $6 billion more in highway funds for Fiscal Year 1976.

Release of these funds could immediately result in orders for building materials and the hiring of workers for on-site construction.

2. Immediate congressional action on an Accelerated Public Works program providing a minimum of $2 billion in grants to communities with high unemployment to enable them to step up short-term construction and repairs of public facilities.

3—Full funding by the Congress and full implementation by the Labor Dept. and state and local governments of the Public Service Employment Program adopted by the Congress in December.

The long lines of applicants for these public service jobs in communities across the country also indicate the need in fiscal 1976 to increase the present authorization so as to provide one million additional public service jobs for Americans who cannot find work.

We insist that federally financed public service jobs must be additional jobs and that state and local governments must not be permitted to fire permanent employes in order to hire temporary public service job seekers. Workers hired under the public service employment program should be accorded the same general conditions of employment as regular state and local government employes.

4—Expansion of federal programs to provide assistance to young people to stay in school, and a doubling of the youth summer job program to help young people earn enough money to return to school in the fall.

V. Immediate action to protect existing jobs from unfair foreign competition.

Because of the nation's economic crisis and the continuing large deficit in the U.S. balance of payments, we urge the President to:

1—Immediately use his powers under the Trade Act of 1974 to establish quotas on imports of industrial goods in those areas where U.S. production has declined in recent months.

2—Immediately impose import restrictions against countries whose trade practices have placed unfair or unreasonable burdens on U.S. commerce.

3—Immediately impose export controls on raw materials and other products in short domestic supply, including petroleum products and coal, through a system of monitoring and licensing.

Because of the unfair economic competition resulting from the expansion of foreign operations of U.S.-based multinational companies, we urge the Congress to:

1—Revoke provisions for the deferral of tax payments on foreign-earned profits.

2—Eliminate the foreign tax credit.

3—Repeal Sections 806.30 and 807 of the Tariff Code which encourage foreign production for shipment back to U.S. markets.

4—Regulate the export of American capital and technology that results in the export of American jobs.

VI. Immediate government assistance to the unemployed to minimize their hardships.

For unemployed workers, the government must:

1—Substantially improve the nation's unemployment insurance system by:

a. Making extended unemployment compensation benefits

available to jobless workers recently covered by the Emergency Jobs and Unemployment Assistance Act of 1974 for the same duration as for jobless workers covered by the permanent program.

b. Eliminating the "waiting week" requirements in state programs which delays the payment of benefits for the jobless.

c. Increasing the individual's weekly benefit amount to two-thirds of his or her weekly wage, up to 75 percent of the statewide average weekly wage, with the increased costs paid by the federal government during this emergency period.

d. Requiring Employment Security Offices in those areas of substantial unemployment to remain open longer hours all week long, hiring enough additional staff to process claims without the demeaning and unnecessary delays to which the unemployed are presently subjected.

2—Provide health care to the millions of workers who lose their health insurance coverage under employer-employe plans when they become unemployed. The health care crisis facing the unemployed—who are denied Medicaid and stripped of their group coverage—is further evidence of the need for urgent congressional enactment of National Health Security. Therefore, we also call upon the House Ways & Means Committee to quickly hold subcommittee hearings and begin work on the long-neglected problem of an adequate health care system for America.

3—Make the limited Aid to Unemployed Fathers program mandatory in all states. Additionally, because workers exhausting their unemployment insurance will have to rely increasingly on welfare to sustain themselves and their families, Congress must immediately begin work on establishing federal minimum benefit standards for the Aid to Families with Dependent Children Program.

4—Provide that the increased costs of welfare during the present emergency are borne by the federal government. Obviously, financially hard-pressed states and cities cannot bear the additional burden.

5—Reject the Administration's efforts to increase the cost of food stamps to the unemployed and the poor. In addition, we urge the following immediate improvements in the food stamp program:

a. Reduction of the present 30-day certification period to 15 days.

b. Adequate staffs of trained workers should be provided to handle certifications.

The AFL-CIO further believes that unions have a special responsibility to help meet the immediate needs of their unemployed members. Therefore, we urge:

1—Local central labor bodies to enlist, through their community service programs, the participation of all government, voluntary and private agencies to expedite the handling of applications, complaints and special needs of the unemployed.

2—Local central labor bodies to work with the Human Resources Development Institute to develop jobs and provide adequate counseling and referral for unemployed union members.

3—State federations to expand their efforts to inform newly-covered unemployed workers of the availability of unemployment insurance benefits and to prod state Employment Security Offices to provide better service for all unemployed.

4—Local central labor bodies to arrange to use union halls as emergency centers for processing unemployment compensation claims in order to reduce the long lines outside overloaded employment service offices.

* * *

Further, we take note of the President's proposal to place a 5 percent ceiling on mandated cost-of-living adjustments for Social Security, Railroad Retirement and civil service and military retirement benefits, and a similar 5 percent ceiling on pay increases for federal employes required under the Federal Pay Comparability Act.

This is unfair and inequitable. On the one hand the President proposes higher prices for just about everything people must buy and, on the other, attempts to deny retirees and federal employes that to which they are legally entitled.

Therefore, the AFL-CIO will vigorously oppose the President's proposed ceiling in the Congress.

* * *

This is the AFL-CIO program for action. We present it to the President and to the Congress. And we call for immediate action on each and all of its points.

We pledge to our members, our fellow workers and our fellow citizens that we will not relent in our support of this program to put America back to work.

The Budget Deficit vs. Measures for Full Employment

The Administration's economic policies for 1975-1976 were presented in the President's State of the Union address, the Budget Message and the Economic Report in late January and early February. The existence of the recession was finally admitted by the President and his advisers—15 months after it started. But the Administration's proposals were a confusing mixture of steps that were not responsive to the most serious economic mess in four decades.

At its meeting on Feb. 20, 1975, the Executive Council pointed out that, in the face of the dangerously deteriorating economic situation, "the Administration has proposed a complicated package of income tax reductions, more than offset by energy-related tax and price increases. . . . The President's Budget projects prolonged recession-level unemployment through 1980. . . .

"While the Administration complacently accepts such forecasts

of continuing troubles for millions of American families its spokesmen concentrate their fire on the crisis-created budget deficits. The President proposed to hold down federal spending by cutting programs for the poor, the retired and veterans and by placing a 5 percent ceiling on 1975 pay increases for federal employees."

The council called attention to the President's Budget Report of February 3 which stated that "if the economy were to be as fully employed in 1976 as it was in 1974," tax receipts would be substantially greater, aid to the smaller number of unemployed would be much less and "these two factors alone exceed the budget deficit for 1976." Since 1974 was a recession year with rising unemployment, the Budget Report clearly indicated that there would be a substantial budget surplus at anything close to full employment. The Executive Council also called on the Administration and the Congress to implement the AFL-CIO action program to put America back to work.

The Administration released a portion of the impounded funds —one part of the AFL-CIO emergency action program. Some others parts of that program were also adopted. The extension of unemployment benefits for the long-term jobless was enacted, for example, and Congress adopted a $23 billion tax cut, which went into effect on May 1.

In a televised address that accompanied his signing the tax-cut measure, President Ford declared his opposition to essentially all additional fiscal programs to stimulate the economy and create jobs. He predicted dire inflationary conditions if the recession-generated budget deficit for fiscal year 1976 was greater than $60 billion. Yet the Administration's Budget Report had forecast very little reduction of unemployment in 1976. Instead, it predicted the persistence of very high unemployment through the remainder of the 1970s on the basis of its budget and other major economic policies.

The Congress voted for a tight budget ceiling, not much different from the ceiling proposed by the Administration. The Congress, thereby, joined the Administration in opting for persistent, high unemployment. The Executive Council declared on May 6, 1975:

"The AFL-CIO is appalled at the actions taken by the Senate and House last week on the first budget resolutions. Like the President, the Congress is focusing on the dollar deficit and ignoring the real cause of this deficit. Like the President, the Congress is ignoring the human needs of millions of Americans desperately seeking help.

"Neither the President nor the Congress recognize these two fundamental economic facts of life:

"• During periods of severe economic recession and depression federal revenue drops drastically. A deficit can be avoided either by providing the stimulus necessary to revitalize the economy or by slashing vital human programs.

"• For every 1 percent drop in unemployment, the Treasury gains $16 billion in tax revenues and reduced social costs. When Richard Nixon became President, unemployment was below 4 percent. If joblessness was at the same rate today, America would be enjoying a budget surplus."

While the Administration sought to scare or hypnotize the Congress into inaction on further measures to create jobs, stimulate expansion and carry the economy forward, unemployment continued to climb—to 8.5 million or 9.2 percent in May.

However, the pace of declining economic activities, which had reached crisis proportions in the Fall and Winter of 1974-1975, slowed considerably in the April-June quarter. The drop in wage and salary income, as a result of unemployment and cutbacks in working hours, was partly offset by the automatic operation of the unemployment insurance system and by extended unemployment benefits enacted by Congress. The average unemployment benefit payment was less than $69 per week in the first half of 1975, but total benefits were running at a yearly rate of about $15.6 billion—approximately $700 million per month more than in the same period of 1974.

The emergency tax measure which the AFL-CIO supported provided $8.1 billion of tax rebates, mostly distributed in May, and $1.7 billion in $50 checks distributed in June to Social Security and railroad retirees. Reduced withholding from paychecks, effective May 1, and some additional reductions of personal taxes added further to the temporary boost in consumer income—an estimated total of $18.6 billion between May 1 and December 31, 1975. The tax measure provided a boost to the cash-flow to business, through a change in calculating the corporate tax and an increase in the tax credit for business investment in plants and machines, which prevented an even sharper decline of business outlays for plants and machines. It also provided for essentially ending the oil depletion allowance and for a small reduction of the tax breaks on the foreign income of U.S.-based multinational companies. This measure's boost to consumer incomes was scheduled to decline in the second half of 1975 and to fade away during 1976; the net reduction of corporate taxes was scheduled to end in 1976.

A small, federally-funded public service employment program for the unemployed provided about 300,000 jobs in the first half of 1975. The release of some impounded funds cushioned the sharp decline in construction and related industries, despite the slow pace of program implementation. The Federal Reserve Board's inadequate easing of monetary policy brought down interest rates on short-term loans, although rates on mortgages and other long-term loans remained near their record peaks. The Fed's move, in mid-1975, to counteract the tax cut, offset part of its prior, inadequate easing of monetary policy.

In addition, consumer confidence improved somewhat from the

previous winter's record low point, but consumer surveys continued to report pervasive pessimism, particularly among low- and middle-income people. The pace of inflation, which had accelerated for over two years, slowed down considerably in the Spring of 1975, under the impact of substantial economic slack. In April-June, the real volume of retail sales turned up — although it was still about 3 percent below the same months of 1974. After leveling off at a yearly rate of about one million during the early months of the year, housing starts turned up slightly to a rate of 1.1 million in May and June, but were 54 percent below the level reached in the first quarter of 1973.

These developments more than offset the effects of the $1 per barrel tariff on imported oil, imposed by President Ford early in 1975 and a similar, second increase imposed in June. However, the Arab-dominated oil cartel threatened a further rise in the price of oil and the President declared he would impose a third boost in the tariff on imported oil, deregulate the price of natural gas and also remove the price ceiling on domestic-produced oil from old wells. Large Russian grain purchases boosted prices of farm products and could result in soaring food prices. The Federal Reserve's money-tightening in mid-1975 boosted interest rates. A combination of any substantial number of such actions could abort a pick-up, extend the recession and inflation, worsen the already bleak outlook for jobs and prolonged, high unemployment.

Even in the absence of such events, however, it was clearly admitted by the Administration and the congressional budget committees that unemployment would be reduced only with painful slowness in the years ahead, on the basis of government policies. The extension of unemployment benefits and the tax measure would be insufficient to lift the economy rapidly enough from the worst recession since the Great Depression to bring down joblessness at a significant pace. Even after production finally stopped declining and, at long last, turned up, unemployment would remain at very high levels for many years.

President Meany brought the AFL-CIO's views and program to the Congress, the trade union membership and the public generally. He told the Joint Economic Committee, at a hearing on May 12: "We know America cannot tolerate and—most important—will not tolerate such high rates of unemployment that would tear at the fabric of this free society. In fact, we are convinced that this country and its free institutions are endangered by this situation, which is pushing millions of people out of the economy's mainstream.

"We need programs to put America back to work, now. We need far more than the tax cut. We need substantial job-creating measures—to quickly turn the economy around from the worst decline since the 1930s.

"However, the Administration does not seem to understand

this. Neither do many members of both houses of the Congress. That, to me, is appalling.

"Thirty years ago, as World War II was ending, the Congress began hearings on the issue of full employment. A bipartisan majority adopted the Employment Act of 1946 and on February 20, 1946, President Truman signed that statute. It committed the U.S. government to a continuing policy of creating and maintaining 'conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing and seeking work, and to promote maximum employment, production and purchasing power.'

"In 1946, those were brave words. Let's look at what has happened since. There was a general consensus that full employment in the American economy was an unemployment rate no higher than 3 percent.

"During the past 30 years, the goal of full employment has been neglected more often than met—by the Congress, as well as the Executive branch. In addition, there has been a slow, but rather steady erosion of the goal itself, especially in the past few years. Government officials and their academic supporters have been busy redefining the goal. It went from a 3 percent unemployment rate to 4 percent, then to 4½ percent and now to 5 percent or 5½ percent. It's an old game, if you can get away with it—if you don't make the grade, change the rules. To me that's fakery, regardless of whether the trickster is a college professor or a government official.

"Unfortunately, Mr. Chairman, we are a long, long way from full employment. We are a long, long way from a goal of 5 percent or 5½ percent. . . . So this country is further away from the maximum employment goal of the Employment Act of 1946 than ever. Even worse, both the Administration and the majority in the Congress are much further away from the government's commitment to full employment than ever before. . . .

"The focus on budget costs omits the benefits—increased jobs and increased earnings, reduced unemployment benefits and welfare costs, increased sales for business, increased savings and investment, increased tax receipts—all the benchmarks of an economy rapidly moving to full employment and prosperity.

"The basic deficit is not in the federal government's budget, but in jobs and earnings."

The persistence of high unemployment in the coming years will result in continuing large budget deficits, as well as continuing hardships for many workers and their families. The accumulated budget deficit of the six years from fiscal year 1970 through 1975—$109.4 billion—was almost twice as great as the accumulated net deficit of the previous 23 years, from 1947 through 1969. The major reason was the two back-to-back recessions of those six years, with huge losses of potential federal revenue and increased unemployment and welfare benefits.

The budget deficit for the fiscal year 1976 will be due to the

worst economic mess in four decades. A 1 percent rise of unemployment, at present, costs the federal government approximately $16 billion—about $14 billion in lost tax receipts and about $2 billion in the increased social costs of high unemployment. A rapid reduction of unemployment would quickly cut the budget deficit by increasing tax receipts and reducing the total amount of benefits for the declining number of jobless. Full employment would produce a budget surplus.

In underscoring the irrationality of a self-imposed budget-deficit straitjacket, President Meany told the congressional Joint Economic Committee on May 12:

"If the leadership of this country had considered only the budget deficit in the early 1940s, Hitler would have won the war. This country would not have been able to supply the allies with urgently-needed arms and America could not have rearmed itself. President Roosevelt and the Congress had faith in America. So the U.S. performed a production miracle, and paid no attention to the huge budget deficit. They viewed it as an investment in freedom.

"In fiscal year 1947, after the war was won, the federal publicly-held debt was over $225 billion. That was 103 percent of the gross national product of less than $220 billion.

"In 1960, the gross national product was $495 billion and federal debt was $237 billion or 47 percent. In the fiscal year that ended June 30, 1974, the debt of $346 billion was only 25.7 percent of the gross national product.

"The production miracle of World War II did not bankrupt the country. And a massive investment in America today of public funds would not bankrupt this nation, it would restore it to economic health."

The state of affairs of the national economy, in the April-June quarter of 1975, involved vast amounts of idle plants, machinery and equipment, as well as great numbers of unemployed and underemployed workers. Only about two-thirds of the productive capacity of manufacturing industries was utilized—down about 20 percent from the spring and summer months of 1973, before the recession began; the major materials industries operated at 70.2 percent of their productive capacity, down 25 percent from the period before the recession started.

Because of such great amounts of idle plants and machines and continued high interest rates, business cut back investment in new productive capacity. A 10 percent cut in the real volume of business investment was expected in 1975, on the basis of Commerce Department surveys, following a small decline in the second-half of 1974.

In the face of such conditions, talk of a large federal budget deficit "crowding out" funds for business investment in the next few years is scare-talk. This was especially true in mid-1975, despite Secretary of the Treasury Simon's dire predictions, at a time when bank loans to business were falling as a result of

cuts in business inventories and outlays for plants and machines.

Moreover, the related claims of supposedly inadequate levels of business investment in recent years and the need to reduce consumption in the period ahead in order to boost business investment were not based on facts. In the dozen years, 1962-1974, business outlays for plants and machines came to a total of nearly $1.2 trillion, despite a money-crunch mini-recession in 1967 and two full-blown recessions in that period which included the highest interest rates since the Civil War. Total private investment, including residential structures and business inventories came to a total of almost $1.7 trillion.

In fact, it was residential construction that was badly squeezed during many of the past dozen years, while ample funds were made available for business investment in plants, machines, inventories and foreign ventures. Moreover, living standards and consumer purchasing power fell for two years, from the summer quarter of 1973 to mid-1975. The real volume of business investment in plants and machines, however, rose from a high post-World War II level of 10.7 percent of real national output in 1970 to 11.3 percent in 1973 and 11.5 percent in 1974—in contrast with 9.2 percent in a low-investment year, 1961, and 10.7 percent in the capital goods boom year, 1965. The redivision of the economic pie—with increased investment and reduced consumption—occurred in the early 1970s with the deep and prolonged recession of 1970-1973 as a result.

A Bureau of Labor Statistics study published in June 1975 reported: "The capital-labor ratio is a common measure of the intensity of capital in production. . . . The capital-labor ratio grew more rapidly from 1966 to 1972 than from 1947 to 1966 in the total private economy, as well as the non-farm and manufacturing sectors . . . production in the United States not only became more capital intensive between 1966 and 1972, but did so at a faster rate than it did between 1947 and 1966."

The major, over-all problems concerning business investment in plants and machines in recent years were the adverse effects of high interest rates and the economy's roller-coaster trend, with unsustainable capital goods booms followed by declines, recurring recessions and low rates of capacity utilization. A relatively steady expansion of business investment, in relation to growing demands for goods and services, would be far better for the economy and, over a period of years, it probably would generate a greater volume of outlays for plants and machines. In the long-run, the only sound incentive for increasing business investment, generally, is expanding demand and high rates of capacity utilization.

Any remaining problems are probably highly selective, rather than general, and do not justify new trickle-down measures to change the division of the economic pie for still more private investment and even less individual consumption. Such a highly selective problem probably involves the unique case of invest-

ment in very capital-intensive nuclear plants for generating electricity, which require a long period of construction.

In mid-1975 business investment was weak and declining because the economy was weak—with large amounts of idle productive capacity, excess inventories and a low level of sales. Business investment will pick up when sales and production rise enough to boost industry's operating rate substantially and convince business executives that the expanded output of new plants and machines can be sold profitably.

Such rapidly rising sales, production and employment would generate increased savings, as well as increased tax receipts, and would reduce government expenditures for unemployment and welfare benefits. So the budget deficit would be low or the budget would be in balance, and there would be a growing volume of funds for increasing business investment.

But the rapid upturn of the economy to achieve full employment is not the Administration's objective. Neither was it the goal of the budget policy of the majority of Congress in the first half of 1975.

The Administration's Mid-Year Budget Review, published on May 30, 1975, presented the official forecast of an unemployment rate of 8.7 percent for the year 1975, or about 8 million jobless workers. That would mean depression-level unemployment among teenagers, construction workers, blacks in general and black teenagers in particular, 20-to-24-year-old men and factory workers.

Moreover, on the basis of the Labor Department's reports on the population's work-experience in previous years, an average of 8 million jobless for each of the year's 12 months means that about 20 million workers will be unemployed at some time during 1975. It means about 12 million will be jobless for five or more weeks in the course of the year, and approximately 8 million workers will be unemployed for 15 weeks or more during 1975. That is one dimension of the human aspect of a monthly average of 8 million unemployed.

The Mid-Year Budget Review, however, officially forecast merely a small decline of unemployment in 1976, on the basis of Administration policies to 7.9 percent or about 7½ million jobless. The Administration, therefore, presented an official forecast of a pick-up in business activities so anemic that it would produce hardly any reduction of unemployment in 1976. And that forecast may prove to be overly optimistic. The first economic report of the new Congressional Budget Office, issued a higher unemployment rate for 1976 or about 8 million jobless.

For the years from 1977 through 1980, the mid-year review presented a mathematical exercise in official Administration optimism—yearly increases in the real volume of national output of 6.5 percent. The Administration presented no explanation of how that rate of economic growth would be achieved.

Even under such optimistic assumptions, the Administration's official projection was an unemployment rate of 7.2 percent in

1977 or nearly 7 million jobless; an unemployment rate of 6.5 percent in 1978 or about 6.4 million unemployed; a 5.8 percent jobless rate in 1979 or approximately 5.8 million unemployed; and for 1980, an unemployment rate of 5.1 percent or about 5.2 million jobless.

So, under the most optimistic exercise the Administration could publish in May 1975 with any degree of credibility, the number of unemployed workers is expected to be from about 5.8 million to 8 million for five successive years, from 1975 through 1979. Even by 1980, under those optimistic assumptions, there would still be over 5 million jobless or 5.1 percent of the labor force.

These official Administration predictions mean three successive years—1975, 1976 and 1977—of the highest unemployment rates since 1941, when the country was coming out of the Great Depression. There was nothing in these official predictions, covering six years from 1975 through 1980, that came anywhere close to full employment.

Despite the Administration's obsession with the size of the budget deficit, the mid-1975 review predicted that large budget deficits would accompany high unemployment through 1978, when the deficit was officially expected to be $19.4 billion. And that prediction, too, may prove to be overly optimistic, in the face of an anemic pick-up from the deepest and most prolonged economic decline since the 1930s.

The anemic economic pick-up from the 1973-1975 recession, officially presented by the Administration and implied in the budget ceiling adopted by Congress in the Spring of 1975, means more than a painfully slow reduction of unemployment. It means persistent idle productive capacity as well as productivity increases and levels of business investment considerably lower than they would be if the economy moved rapidly to full employment. It also means that the American economy will remain particularly vulnerable to the adverse effects of domestic or international events, such as another OPEC oil-price rise or international monetary disarray. That is the meaning of the Administration's adamant opposition to further job-creating programs, presidential vetoes of job-creating measures adopted by the Congress and the woeful timidity of the Congress reflected in its first budget ceiling.

The historical record shows that it takes many job-creating and income-generating programs to reduce unemployment, after unemployment and idle production capacity are permitted to rise—particularly the sharp rise of 1973-1975, under the impact of the Nixon-Burns policies which were essentially continued by the Ford Administration.

In 1961, the year President John F. Kennedy took office, the economy was in a recession and the unemployment rate was 6.7 percent. His Administration adopted various measures to lift the economy and create jobs and it proposed additional pro-

grams to the Congress. But the unemployment rate was 5.5 percent in 1962 and 5.7 percent in 1963.

In 1964, President Lyndon Johnson successfully pushed through the large tax cut that Kennedy had proposed to carry the economic pick-up forward. And toward the end of 1965, there was the beginning of the Vietnam military build-up. In 1964, the unemployment rate moved down to 5.2 percent and in 1965, to 4.5 percent.

It took four years of strong and continuing efforts by the Kennedy and Johnson Administrations, plus the beginnings of the military build-up, to bring the jobless rate down from 6.7 percent in 1961 to 4.5 percent in 1965.

In the face of the dangerous economic deterioration of 1969-1975, the deepest recessionary decline since the 1930s and an unemployment rate of close to 9 percent in 1975, a series of large-scale job-creating and income-generating programs are required—to move the economy rapidly to full employment and strengthen the fabric of American society.

Council Recommendation

The recession of 1973-1975, the deepest and most prolonged since the 1930s, has resulted in the highest unemployment of the post-World War II period and an economy that is weak and vulnerable to the adverse effects of events at home or abroad.

The Administration's focus on the size of the federal budget deficit, rather than on creating jobs and stimulating the economy, has produced a long series of presidential vetoes of urgently-needed measures to create jobs. As a result of Administration negativism, consumer buying power is still below the level required to bring real per capita after-tax income back to where it was two years ago, before the recession started.

The vast numbers of unemployed and under-employed workers have been accompanied by idle plants and machines. Industry is operating only about two-thirds of its productive capacity. Under these conditions, the real volume of business investment in plant and equipment, which started to decline after mid-1974, has fallen about 10 percent in 1975. Home-building remains in a depression, under the impact of continuing high interest rates.

The Administration's mid-1975 budget review predicted a painfully slow reduction of joblessness in the coming years, with very high levels of unemployment persisting into 1980. Despite its obsession with the budget deficit, the Administration also predicted large budget deficits persisting through 1978, continuing the series of consecutive yearly deficits since 1970. These deficits, actual and officially predicted, are the result of two back-to-back recessions in 1969-1970 and 1973-1975 and high unemployment. It is estimated that each 1 percent rise in the unemployment rate costs the federal government about $16 billion in lost tax revenues and the additional social costs of unemployment.

Moreover, the Administration's grim outlook for the American economy in the next five years, on the basis of its own policies and those of the Federal Reserve, may prove overly optimistic. There is a real danger of another economic downslide caused by:

- The renewed tight-money policy, with higher interest rates, imposed by the Federal Reserve, under the chairmanship of Dr. Arthur Burns.
- Another giveaway of grain to the Soviet Union, which is boosting already intolerably high food prices and shortening domestic supplies.
- Further rapid increases of fuel prices, resulting from the Administration's energy policy and crude oil price increases planned by the Arab-dominated oil cartel.
- Termination of most of the cuts in individual income taxes, scheduled for the end of 1975, which will result in increased taxes on personal income on January 1, 1976, unless these emergency reductions are renewed for 1976.
- Adoption of the Administration's tax proposals, based on the discredited trickle-down theory of the 1890s and 1920s to cut taxes on corporate profits and dividend income, which will increase the tax burden on low- and middle-income people and cut federal revenue.

With the economy so weak and vulnerable, any major combination of such events could well set off a renewed decline, with more inflation and even more unemployment.

Decisive, positive government actions are needed to create jobs, generate buying power and carry the economy forward at a rapid pace. Such actions are essential to reduce both unemployment and the federal budget deficit, as well as to boost sales, production, savings and business investment. A growing, full-employment economy is a prerequisite for a balanced federal budget.

Government policies are needed to assure a balanced, full-employment economy, with rising real incomes and restored public confidence.

Therefore, we urge the following measures:

1. The individual income tax cuts, scheduled to terminate on December 31, 1975, must be extended through 1976 to prevent a sudden tax increase which would have a depressing effect on the economy.

2. Government housing programs should be fully implemented to boost residential construction, so that home-building can once again help to lead the national economy out of a recession.

3. An accelerated public works program should be adopted to create jobs in the production and distribution of building materials, as well as on construction sites, by providing $5 billion of federal grants to local governments for short-term public works construction and repairs.

4. The public-service employment program should be greatly

expanded to create jobs for the unemployed in state and local government activities, in meeting public needs for improved and enlarged services.

5. Congress must direct the Federal Reserve to reduce interest rates on both long-term and short-term loans and to provide sufficient expansion of money and credit to encourage balanced economic growth. The Federal Reserve should also be directed to allocate a substantial portion of available credit for such high-priority purposes as housing, community facilities and essential capital investment and to curb the flow of credit for such activities as land speculation, inventory-hoarding, foreign subsidiaries and conglomerate takeovers.

The entire structure of the Federal Reserve System must be changed--through such essential actions as a yearly audit by the General Accounting Office, abolition of the banker-dominated Open Market Committee and absorption of its functions by the Board of Governors, reduction of the term of office of the governors to seven years and the chairman to four years, and extension of membership on the governing bodies and advisory committees of the entire system to representatives of major groups in the economy, including organized labor.

6. Federal financial aid must be provided to state and local governments, hard-pressed by high unemployment.

7. Federal funds should be made available for a program of restoring railroad track and roadbeds.

8. Long overdue improvements in the outmoded unemployment insurance system should be adopted.

9. A federal program is essential to continue health insurance for the unemployed who lose their coverage when they lose their jobs.

10. Congress should close the major loopholes in the federal tax structure, which could raise as much as $20 billion of additional federal revenue.

11. A comprehensive national energy policy is urgently needed to rapidly reduce dependence on imported oil and to establish U.S. energy independence, without profit bonanzas for the giant international oil companies.

12. The federal farm program should help to hold down food prices to consumers and more fairly distribute farm-income support payments. The nation's agricultural policy must encourage maximum production to redress the lack of balance between domestic supplies and the demand for American farm products at home and abroad. A reasonable payment-ceiling should be enforced on income-maintenance payments to any farm producer.

Effective export controls on agricultural and other raw material products, in short supply, should be established and maintained, until inflationary shortages are ended and pressures on prices of such products subside. Adequate stockpile reserves of

agricultural goods and other raw materials should be maintained. The federal tax subsidy for export companies should be suspended for the export of commodities in which there are supply problems.

13. A new Reconstruction Finance Corporation-type agency should be established to provide government loan guarantees and low-interest, long-term loans for the preservation and creation of jobs in the private sector, including housing developments, as well as to assist state and local governments.

14. The Congress and the Administration should adopt and pursue an international economic policy that will meet the needs of the American people in the world of the final quarter of the 20th Century—to stop the export of American jobs and undermining of the nation's industrial base, to regulate the export of American technology and capital, to eliminate the tax and other incentives that encourage U.S. companies to establish and expand their operations in foreign countries and to curb the rising tide of imported goods and components that displace U.S. production.

15. A full-scale congressional examination of the structure of the American economy is urgently needed to provide the Congress and the public with the facts on such economic developments as business mergers, interlocking relationships among the giant corporations and banks, their domination of key parts of the national economy, their effect on prices and America's position in the world economy and their impact on American communities and democratic institutions. Detailed information on such factors of American economic and social life is essential for the adoption of appropriate government policies. Congress must be especially wary of attempts to dismantle the federal regulatory agencies that were established to protect consumers from disreputable, unfair and monopolistic business practices.

Collective Bargaining

Collective bargaining in 1974 and 1975 faced the difficult challenge of restoring and maintaining workers' purchasing power while protecting jobs and incomes during the most severe economic crisis since the 1930s.

Soaring double-digit inflation, a rapidly deteriorating economy and intolerably high and growing levels of unemployment presented severe and difficult conditions for the bargaining process.

The so-called economic stabilization program expired at the end of April 1974, and workers had to make up for wage and purchasing power losses which resulted from inequitable government controls. For two and one-half years, workers' wages had been continually restrained while prices, interest rates, executive pay and profits soared.

In spite of these obstacles, workers and their unions were able to make substantial advances through collective bargaining. In

addition to improvements in wages and traditional fringe benefits, unions negotiated significant gains in cost-of-living protection, supplementary unemployment benefits and job security provisions.

Wages—Wage increases in major collective bargaining settlements negotiated in 1974 increased markedly over the previous year when bargaining took place under rigid controls. The average first-year increase negotiated in 1974 under contracts covering 1,000 or more workers was 9.8 percent, up from 5.8 percent in 1973. Over the life of the contract, the average wage increase was 7.3 percent a year, up from 5.1 percent in 1973.

Early trends for 1975 saw first-year wage rates increasing by 12.5 percent, slightly faster than the rate of inflation. Over the life of the contract, wage rates increased at a 7.7 percent rate.

Despite these gains, inflation and the economic downturn continued to squeeze working families.

Real average weekly earnings dropped sharply since the beginning of the recession in the closing months of 1973. Real earnings were off 5.3 percent during the first year of the recession and by April 1975 they were 8.7 percent below their pre-recession peak levels.

In April 1975, the after-tax buying power of the average worker's weekly pay, counting three dependents, was almost 11 percent below peak level reached in October 1972. In fact, the buying power of weekly take-home pay was pushed below 1964 purchasing power levels.

According to the Department of Labor, the gross weekly earnings of an average non-supervisory worker were $154.45 in 1974; they were $176 for the average factory worker and $249.44 for the average worker in contract construction. The Department of Labor also reported that it required an annual income of $14,333 —$276 per week—to maintain a modest but adequate standard of living for an urban family of four at Fall 1974 prices.

Even the Department of Labor's "lower" family budget — which provides for some amenities and no luxuries—cost $9,198 for a family of four in urban areas at fall 1974 prices or approximately $177 a week for a 52-week year.

The Census Bureau reported that the mid-point annual earnings, before taxes, of male wage earners who were fortunate enough to work full-time in 1973 were $8,158 for the unskilled, $9,503 for the semi-skilled, $11,245 for skilled crafts, $12,296 for sales workers, $14,306 for professional, technical workers.

Workers and their families need catch-up wage and salary increases to maintain and improve their real incomes. The national economy needs increased workers' buying power to maintain the expansion in consumer spending necessary for balanced economic growth and stability.

Cost of Living Provisions—Increased use of escalator clauses was widespread during 1974 and early 1975 as workers tried to

protect their buying power in the face of soaring, double-digit inflation. Escalator clauses provide workers a partial catch-up with the rise in living cost after it has occurred. The degree of catch-up and the timing depend on the detailed provisions of each escalator clause.

During 1974 cost-of-living clauses were introduced in 164 major agreements covering 369,000 workers. Another 270,000 workers, under major agreements, were covered by clauses which provided possible wage reopeners based on increases in the consumer price index.

During the first quarter of 1975, this trend continued with new escalator provisions being introduced in an additional 18 major settlements covering 287,000 workers. This brought cost-of-living protection to 5.6 million workers in major bargaining situations or 54 percent of all workers in agreements covering 1,000 or more workers. Escalator clauses were extended or introduced in many additional settlements that cover smaller groups of workers.

Pensions—Pension plan improvements during 1974 and 1975 continued the trend towards increased and earlier retirement benefits, reduced service requirements and more widespread coverage for survivors.

Benefit payments were increased in many contracts to a range of $12 to $15 per month per year of service. There was a continued trend towards reducing the retirement age. Many contracts provided for retirement after 30 years of service regardless of age, and a few plans provided pension benefits without reductions after 25 years of service regardless of age. "Bridge" benefits—benefits paid from retirement until the age of eligibility for Social Security—were negotiated in many contracts.

A major breaktnrough helping retirees keep pace with inflation was achieved in several contracts through the provision of cost-of-living adjustments for those already retired.

The AFL-CIO-supported Employee Retirement Income Security Act became law on Labor Day 1974. This far-reaching law provides new requirements for vesting and funding, a system of federal insurance against bankruptcy of private pension plans, and tighter reporting and disclosure provisions for pension fund administrators. Under the law, most workers finally have the guarantee that the pensions they have negotiated, worked for and earned through their years of service will be paid to them.

Conformity with this new law requires pension plans to be based on one of three different vesting formulas. Vesting of 50 percent of accrued benefits is mandatory after 10 years' service regardless of age. The service requirements for full vesting vary depending upon which of the three formulas is used.

Job Security — In response to massive increases in unemployment in 1974 and 1975, many unions have strengthened job security provisions. New and improved work guarantees have been

negotiated, including tighter provisions on contracting out, reduced hours of work, new training programs and transfer rights with employer-paid relocation costs.

Supplementary unemployment benefit plans were increased in number and benefits. New income maintenance plans were established while existing plans were improved. Prohibitions against overtime work while workers are on lay-off were negotiated in a few contracts in an effort to more equitably distribute available work. In some agreements, severance pay clauses were increased to provide assistance to workers affected by layoffs or plant closings.

Some unions have negotiated collective bargaining provisions providing incentives, such as supplemental unemployment benefits or pension provisions, for senior employees who wish to do so to elect layoff or early retirement, thereby providing work opportunities for younger workers. Some unions, through voluntary agreements reached through collective bargaining, have provided for the sharing of reduced work by all employees in the unit during temporary emergency periods.

Large-scale layoffs resulted in some discussion of forced worksharing, which the Executive Council described on May 6, 1975 as "nothing more than 'poverty sharing'" which would violate the principle that "the longer-service employee has priority in job allocation" and "inevitably would tear apart the solidarity necessary to achieve real economic gains for all workers." Such calls for the destruction of the seniority system or the creation of "phantom seniority" in the name of non-discrimination were rejected by the council. Full employment is the only solution to unemployment and to discrimination, the council pointed out, and the seniority system is essential to protect all workers without regard to race or sex.

Health Insurance and Other Fringes—Improvements in health plans in the last two years continued to respond to soaring medical costs. From 1967 to 1974, for example, the cost of a semi-private hospital room rose by more than 100 percent.

Improvements included insurance for longer hospitalization, raising fee schedules and extending coverage to areas previously not covered, such as dental care, major medical and optical and drug plans. Several contracts increased the maximum on major medical benefits to several hundred thousand dollars per illness. Some unions negotiated higher surgical fee schedules in their 1974 and 1975 contracts, changing the benefit from a set dollar maximum, to provide payment for all surgery on a "reasonable and customary" fee basis.

A fifth and sixth week of paid vacation were provided for long-service employees in many contracts and eligibility rules were also liberalized. Paid holiday improvements followed the trend toward a 12th paid holiday, with some unions negotiating a 13th or 14th paid holiday.

National Labor Relations Act — Employees of private, non-profit hospitals and nursing homes finally achieved first-class citizenship, in 1974, with the enactment of legislation bringing them under the National Labor Relations Act. These 1.7 million workers had been excluded from the benefits and protection of the law, just as farm workers are still excluded from the basic legally-protected right, under federal law, to form their own unions and bargaining collectively. Additionally, an amendment to the Taft-Hartley Act was adopted, which will aid the spreading of prepaid group legal services as a new fringe benefit.

Conclusion — Workers represented by unions and covered by the collective bargaining process have achieved higher living standards, better working conditions and more job and income security than non-union workers.

A recent report by the Bureau of Labor Statistics covering the six years from 1966 to 1972 shows, for example, that total compensation at union establishments advanced $2.22 an hour during this period, from $3.61 to $5.83 an hour or 61 percent. By contrast, in non-union firms, the advance was only $1.21 an hour or 52 percent, from $2.32 in 1966 to $3.53 in 1972. Thus the gap between union and non-union compensation increased from $1.29 an hour in 1966 to $2.30 an hour in 1972.

In spite of inflation, unemployment and the worst economic mess since the 1930s, collective bargaining continued to be a major force for improving wages, living standards and working conditions. Collective bargaining remains as it has been from its beginning—a flexible and adaptable system of union-employer relations that is an integral part of this free society.

Tax Justice

Almost six years have passed since a down-payment on tax justice was made through the Tax Reform Act of 1969.

Despite the critical need for federal revenue, for fairness and equity in economic policy making and for public confidence in government, the federal tax structure still remains overloaded with inequities. As a result, the costs of government are not being shared on the basis of ability-to-pay, and severe and unnecessary limitations are being placed on the government's ability to manage the economy and provide public facilities and services that are vital to the health of the nation.

In its report to the Tenth Constitutional Convention, the Executive Council stated:

"The AFL-CIO is firmly convinced that there is an inseparable relationship between justice in taxation and the willingness of citizens to support their government and be confident that their government is acting in their best interests.

"And, so long as the loopholes of special tax privilege for those with wealth and taxpaying ability are perpetuated, the federal government's ability to meet the needs of the nation will continue to be severely limited."

The council also stated its conviction that in light of the record of the Administration "it is up to Congress to see that workers pay no more and no less than their fair share of the nation's tax burden and that wealthy individuals and corporations do the same."

Events since that time have reinforced those conclusions.

On April 3, 1974, the Joint Committee on Internal Revenue Taxation released a 784-page examination of former President Nixon's tax returns. The report was a carefully documented case study of how the President made a mockery of the tax system which is supposedly based on the principle of ability to pay. It provided numerous examples of how those with wealth can and do use loopholes to avoid paying their fair share of the tax burden.

The energy emergency brought to public attention graphic illustrations of the ways in which the nation's business tax laws are manipulated and used by huge multinational corporations to subsidize actions that are contrary to the nation's interests, needs and standards of justice.

Through devices such as phantom write-offs for depreciation, inventory accounting gimmickry and the many opportunities available to multinational companies to shift profits between countries, branches and affiliates, corporations are bearing less and less of the nation's tax burden. In 1973, for example, 10 corporations with profits totalling almost $1 billion paid no federal income taxes at all, and the nation's largest oil companies paid U.S. income taxes at effective rates of about 6 percent of their worldwide profits.

In the 1960s, corporations bore about one-third of the nation's income tax load. In recent years, the corporate share has slipped to about 25 percent. If corporations presently were bearing the same share of the income tax load as in the 1960s, federal revenues for fiscal 1975 would be some $20 billion higher.

The huge demands placed upon the tax structure as a result of the economic crisis which began in 1973 also clearly demonstrate the need for tax justice. The emergency tax cut enacted in March 1975 was a first step toward ending the economic downslide. Yet, at the same time, if the loopholes of special privilege to wealthy individuals and corporations had been closed—thus taxing billions of dollars that now escape the tax structure—a larger tax cut could have been enacted and more money would have been available to fund the programs necessary to create jobs, protect the jobless, and help state and local governments provide essential facilities and services.

The January 23, 1975 emergency session of the AFL-CIO General Board adopted its "Action Program to Put America Back to

Work," including a call for "an immediate tax cut of at least $20 billion, primarily for low- and middle-income taxpayers, to stimulate the economy through added purchasing power." The General Board opposed the President's "lopsided rebate proposal" and called attention to the fact that the President ignored the recommendations of his Labor-Management Advisory Committee for a tax cut heavily weighted on behalf of low- and middle-income families. The General Board also called upon Congress to follow the emergency tax cut with a program to close "the loopholes of special tax privilege for the wealthy and corporations."

On February 20, 1975, the Executive Council again recommended enactment of an emergency tax cut to stimulate the economy and create jobs. It emphasized that such a tax cut must be followed by a program to raise some $20-30 billion by loophole-closing reforms which would "provide sufficient revenue to permit permanent tax reductions, which would in fact lower the share of the tax burden and increase the real purchasing power of low- and middle-income Americans."

The council pointed out that the Administration had completely ignored the need for tax justice. In the budget for Fiscal 1976, the Administration—in the name of fighting inflation and budget deficits—had proposed sharp cutbacks in essential federal programs that create jobs, alleviate human hardship and help build the nation. Yet, there were no proposals whatsoever to meet the budget problems by closing any of the escape hatches which cost billions of dollars in revenue and unfairly rig the tax structure. The Administration proposed a combination of individual income tax reductions, huge increases in consumer-paid energy excise taxes, and a permanent cut in the corporate tax rate, in an attempt to shift even more of the nation's tax burden onto those who can bear it least. Its proposals, the council said, would "permanently undermine the federal government's ability to finance public needs through a fair and equitable tax structure."

In short, the Administration's measures ran completely counter to the goals of tax justice and, in the council's words, "add up to a massive restructuring of the nation's tax system in a way which ignores the principles of taxation based on ability to pay."

The emergency tax cut was enacted in March 1975. Though it varied in details from the proposal the AFL-CIO made, it was considerably larger and more equitable than the Administration tax rebate proposal. It represented an important first step toward ending the longest and deepest economic decline since the 1930s and met the AFL-CIO's goal of assuring that "substantial proportions of the benefits would be received by low- and middle-income families."

The bill also substantially repealed the oil depletion allowance, removed those below the government-defined poverty income threshold from the income tax rolls and provided relief to the

working poor who are not earning enough to pay income taxes. These were all goals of the AFL-CIO and steps toward tax justice.

It also slightly trimmed—but did not come anywhere near eliminating—the major tax loopholes which have subsidized the overseas operations of U.S.-based multinational corporations at the expense of U.S. jobs, production and tax revenues.

In the summer of 1975, during Ways and Means Committee hearings on tax reform, President Meany attacked the assertions of Administration spokesmen that the nation has a developing shortage in investment capital that is about to become severe.

He called for rejection of proposals to use the tax structure to reduce personal consumption and increase the funds available to business for investments in plant and machines. Such proposals amount to a return to the old discredited "trickle-down" doctrine of the 1890s and 1920s.

The major problems concerning business investment have been adverse effects of high interest rates and the economy's roller coaster trend of unsustainable capital goods booms followed by declines, recurring recessions and low rates of capacity utilization.

The existence of special and unique investment capital problems in some industries does not in any way support the notion that the economy generally is underinvesting. Neither does it justify proposals, in the name of investment incentives, for corporations and wealthy stockholders which would decimate the federal Treasury.

Mr. Meany pointed out that one such highly-selective problem exists in the special case of the construction of nuclear plants for generating electricity, which require a long period of construction, and he outlined the proposals supported by the AFL-CIO members of the President's Labor Management Advisory Committee aimed at helping that industry. "Solving those problems," Mr. Meany said, ". . . would create jobs in the deeply depressed construction industry where more than one in five workers is unemployed, and help forward the goal of energy independence."

Council Recommendation

The AFL-CIO calls upon Congress to enact a comprehensive program of tax justice. Closing major loopholes in the tax structure could raise $20 billion or more in badly-needed federal revenue and would:

- Put an end to special privileges which rig the tax structure against wage earners and consumers.
- Help restore the balance needed to permit the nation to recover from the present economic crisis in a sustainable fashion.
- Help rebuild public confidence in government and the economy.
- Enable the federal government to equitably raise the rev-

enue necessary to meet the need for essential public investments and to maintain government operations.

Among those major loopholes are:

1. Capital gains—The preferential half-tax which applies to gains on unearned income from stocks or other property sold at a profit and the zero tax that applies to such gains when passed on at death are among the most disruptive elements in the tax structure. Closing these loopholes could raise as much as $10-11 billion an annual revenue.

2. Tax subsidies for the overseas operations of U.S.-based multinational corporations—These preferences have eroded the tax structure, destroyed American jobs and helped make America vulnerable to economic and political blackmail. Specifically, the AFL-CIO urges:

- An end to the foreign tax credit provision. The foreign income tax payments by U.S. corporations and the royalty payments of international energy companies should be treated in the same manner as taxes and royalties paid on domestic operations—as deductible costs of doing business. The present practice of allowing dollar-for-dollar credits against the company's U.S. income tax liability must be ended.
- An end to the deferral privilege which allows multinational corporations to defer U.S. income tax payments on the earnings of their foreign subsidiaries until such profits are brought home—which may be never.
- Elimination of the Domestic International Sales Corporation (DISC) gimmick which permits corporations to spin off into export subsidiaries in order to defer taxes—perhaps indefinitely—on export profits.

Closing these loopholes could raise as much as $6-8 billion in annual revenue.

3. The depreciation speed-up—This provision, enacted in 1971, currently costs the Treasury and the American taxpayer about $1.5 billion annually. The 7 percent **investment credit** also enacted in 1971 and increased to 10 percent for 1975 and 1976 should be eliminated as soon as the present emergency situation is over. The 7 percent investment credit cost approximately $5 billion per year and at 10 percent the annual revenue loss is over $8 billion.

4. Mineral industry provisions—The special tax privilege for corporations in the oil, gas and other mineral industries, such as the percentage depletion allowance for "independent" oil and gas companies and other mineral industries and the immediate write-off of intangible drilling costs, should be ended. Eliminating these special privileges could raise some $2.5 billion in annual revenue.

5. The corporate surtax exemption—Under this provision, the first $25,000 of corporate income is taxed at a 22 percent rate and, for 1975, preferentially low rates apply to the first $50,000

of corporate taxable income. The revenue loss from the surtax exemption is approximately $5.5 billion.

6. Tax exemption for interest income from state and local bonds—Such income should be taxed in full with the federal government providing an interest-subsidy to assure that fiscal powers of the state and local governments are not hampered.

7. Maximum-tax provision—This is an uncalled-for tax bonanza to top corporate executives and others whose income comes from very high fees and salaries. The yearly revenue gain would be over $200 million.

8. Tax shelters—The many opportunities for wealthy individuals to shelter and wash-out otherwise taxable income through investments in mineral exploration and oil drilling ventures, real estate, hobby farms and the like should be ended. Revenue losses from these tax avoidance opportunities total over $1 billion annually.

9. Federal estate and gift taxes—Present law provides unnecessary exemptions and a host of opportunities to minimize or postpone tax payments for generations, through devices such as family foundations and generation-skipping trusts. An effective and equitable estate and gift tax structure could generate about $3 billion in additional annual revenue.

Finally, the AFL-CIO rejects the spurious notions being fostered by the Administration and some business spokesmen that a severe capital shortage is developing, and that tax measures should be enacted to reduce personal consumption and increase the funds available for business investment in plants and machines.

There is no justification for adopting such shotgun proposals. They merely represent another contrived rationale for a return to the discredited trickle-down economics of the 1890s and 1920s. If enacted, they would decimate the federal Treasury, add new loopholes for corporations and wealthy individuals and further ham-string the federal government's ability to meet the nation's essential public investment needs.

The AFL-CIO, therefore, urges rejection of across-the-board "tax incentives" for business investment—including further depreciation speedups, permanent investment credits, dividend write-offs and proposals to widen even further the capital gains loophole. Specific programs to meet the demonstrated needs of particular industries should be adopted only after careful examination.

Financing State and Local Governments

State and local governments generally, and larger cities in particular, are caught in a severe fiscal squeeze. Inflation and high interest rates have driven up costs. Recession and unemployment have reduced revenues and sharply increased social welfare costs.

The federal government compounded the problem by sharply curtailing expansion of federal programs needed to create jobs, failing to strengthen the economy or help state and local governments meet escalating needs for essential public facilities and services.

As a result, state and local governments have tried to cut costs by laying off workers, reducing hours and putting "freezes" on personnel and wages with resulting deterioration in public services. Vital services, such as trash collection, police and fire protection, education and public transportation, have been cut back. Needed improvements and additions to public facilities have been postponed or cancelled and several large cities narrowly escaped bankruptcy.

For calendar 1974 combined state and local tax collections totaled $135.5 billion—8 percent above 1973 totals and substantially less than the rate of inflation. By contrast, 1973 tax revenues grew by 9.5 percent and in 1972 the increase over the prior year was 13.9 percent.

Property tax receipts—the financial mainstay of local governments—increased by only 4.7 percent in 1974, in large measure the result of the depression in construction. This compares with increases of 7.1 percent in 1973 and 6.8 percent in 1972.

State and local debt outstanding at the end of 1974 totaled $205.6 billion—$16.1 billion more than 1973.

For the first time in over a decade, the federal share of the public investment expenditures of state and local governments fell in 1974. In fiscal 1964 federal grants-in-aid were approximately 15 percent of total state and local expenditures. By 1973 the federal share had grown to 25.2 percent of state and local outlays. In 1974 the proportion fell to 23.6 percent.

Moreover, according to estimates based on Administration budget requests, further drops are expected in 1975 and 1976. According to the Budget, federal aid for fiscal 1976 will amount to only 22.2 percent of the cost of state and local programs.

Significantly, in the 1965-70 period federal aid to state and local governments was increasing at a rate of over 21 percent per year—rising from $10.9 billion in 1965 to $24.0 billion in 1970. In 1974 the increase was only 4.7 percent. A 14 percent increase is estimated for 1975, and in fiscal 1976, according to the Budget, federal aid will increase by only 5.7 percent.

Thus, the economic situation and restrictive federal government expenditures have had a severe impact on state and local government budgets. At the same time, the actions of state and local governments to meet their own fiscal problems further depressed the economy.

A federal tax cut designed to stimulate the economy and create jobs was enacted in March 1975. Yet, according to a Congressional Joint Economic Committee survey, states and localities were expected to enact $3.6 billion in tax increases while reducing expenditures for current services and capital improvements

by over $4 billion. These actions, according to the congressional survey, were expected to remove a total of $7.5 to $8 billion from the economy.

Significantly, cutbacks in employment, services, new facilities, construction and planned increases in taxes were concentrated in areas where unemployment was highest. The great majority of local government expenditure reductions in these areas of high unemployment were accomplished through slashing payrolls and eliminating jobs, further aggravating the unemployment situation.

The AFL-CIO has a long history of advocacy and support for measures to meet America's public investment needs at all levels of government. Much that is needed can and should be administered and financed at the state and local government level, but we remain firm in our conviction that the federal government—which represents all of the American people and all the nation's resources—must substantially expand its role.

America's most pressing problems—unemployment, housing, energy conservation and development, poverty, pollution, health care, education, public transportation and the like—are nationwide in scope and impact. They require national leadership, federal programs and federal financial support.

The economic crisis of the past two years has confirmed and reinforced these convictions. Over the past two years, the AFL-CIO has continuously urged enactment and full funding of programs which would create the jobs needed to pull the nation out of the worst downslide since the Great Depression, and, at the same time, help states and localities meet needs for public facilities and services that are essential to the health and welfare of their citizens and the nation generally.

In February 1975, the Executive Council stated that the single-minded focus of the President and Congress on the dollar budget deficit ignored national commitments to full employment and the need for funding essential programs. The council said: "In the name of fighting inflation and budget deficits, the Administration had proposed sharp cutbacks in essential federal programs that create jobs, alleviate human hardship and help build the nation." Both the Senate and the House in their budget resolutions advocated the rejection or underfinancing of programs essential to economic recovery such as accelerated public works, public service employment, aid to the cities, housing, railbed repair and health insurance for the unemployed.

Council Recommendation

The economic downslide has put severe pressures on state and local budgets. Vital services have been cut back; essential projects have been postponed or cancelled; payrolls slashed; jobs destroyed, and a number of cities have narrowly escaped bankruptcy. The nation's stock of public facilities has deteriorated

and public services essential to the nation's well-being have been curtailed.

The AFL-CIO firmly believes that the nation's major domestic problems are still rooted in the shortages of services and facilities that are traditionally and appropriately the responsibility of government.

We are deeply concerned over the fact that the Administration, by focussing obsessively on the dollar deficit in the federal budget, is pursuing policies which are widening the already huge gaps in public facilities and services. Regrettably, Congress has done little to challenge or overturn these policies.

We believe that there is much that the states and localities and particularly the states can and must do to improve their public investment capabilities. But especially in times of economic crisis it is the federal government—which represents all of the people and can marshal the nation's resources—that holds the key.

The federal government's role in providing the leadership, programs and finances for public investments to build America must be continued, strengthened and expanded.

Substantial increases are needed in federal grants-in-aid to the states and local governments for specific programs in the nation's interest, such as education, manpower training, health and hospitals, metropolitan transportation, air- and water-pollution control, urban renewal, public service jobs and energy conservation and development.

Federal grant-in-aid programs should be fully funded and monies already appropriated by Congress should be made available to state and local governments as quickly as possible.

We urge enactment of special federal legislation to authorize payment of funds directly to local governments suffering from depressed economic conditions so that they can maintain essential public services.

Institutions, such as a federal urban bank, should be developed to provide states and localities with easier access to long-term, low-interest loans for the construction of public housing, urban transit systems and other community facilities. The federal government should have stand-by authority to provide emergency aid to local governments in times of severe fiscal crisis.

There should be a thorough review of present federal categorical grants-in-aid. Such a review should aim at increasing their efficiency, re-examining matching-fund formulas and making it easier for state and local officials to be aware of and obtain the federal aid available to them. However, the purposes, performance standards and requirements of the programs must be safeguarded so that the national interest is served.

Moreover, actions on other AFL-CIO proposals such as full federal take-over of the costs of public welfare, a national health security program and federalization of unemployment compensation systems would relieve the states and localities of a huge

financial burden and, at the same time, eliminate some of America's most grievous public-service failures.

State and local tax structures must be made equitable and productive. The states must increase reliance on fair and progressive income-tax structures that are based on the principle of ability-to-pay. At the same time, efforts should be made to minimize the inequities of sales and property taxes. Items such as food and medicine should not be taxed. Credits and rebates against the state income tax should be permitted to ease the burden of sales and property taxes on low- and moderate-income groups. Unjustifiable exemptions should be ended, and the all-too-often scandalous administration of local property taxes must be corrected.

Effective modernization of state and local governments is essential. Such efforts should include elimination of obsolete or restrictive constitutional constraints, the consolidation of inefficient local units of government and a greater commitment on the part of the states to local government needs and problems.

A federal tax credit for state income-tax payments should be enacted to take the place of the present method of deducting such taxes from taxable income. This would add equity to the federal tax structure and at the same time, encourage the states to improve their tax structures by increasing their reliance on income taxes based on ability-to-pay.

Manpower

Full employment is essential to human dignity and social progress. In this work-oriented society, unemployment is a personal tragedy in human terms and a social tragedy in economic terms.

The Employment Act of 1946 committed the U.S. government to create and maintain "conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing and seeking work, and to promote maximum employment, production and purchasing power." Unfortunately, government officials and some academic economists have been redefining the "full employment" goal in an effort to condition the American people to accept higher and higher levels of unemployment.

The Ford Administration projects intolerable levels of unemployment for the next five years—7.9 percent in 1976, 7.2 percent in 1977, 6.5 percent in 1978, 5.8 percent in 1979 and 5.1 percent in 1980. Such high jobless rates can tear apart the fabric of American society. With each one percent of unemployment representing about one million workers, these projections mean the American economy and American society will suffer human hardship beyond measure and irreparable waste of human resources. These projections are an insult to America's capacity to achieve full employment.

Sustained full employment can establish the economic environment for management to support and maintain adequate apprenticeship training and upgrading efforts. Since most manpower training in the American economy is obtained on the job, full employment is the necessary framework for adequate manpower training of the workforce.

Council Recommendation

Full employment is the basic prerequisite for an effective and comprehensive national manpower policy. Jobs for all Americans able, willing and seeking work are the key to a healthy economy. A healthy, expanding, full-employment economy is essential to economic recovery and social progress.

The AFL-CIO insists on substantial, decisive and determined action by the federal government to put America back to work. Job creation is an essential component of such action.

Large-scale, job-creating programs such as housing, accelerated public works, aid to cities and aid for railroad trackbed repair are required. In addition, to the extent that regular job-creating channels in the economy do not create enough jobs for the expanding labor force, the federal government must provide funds on a scale sufficient to support a massive public service employment program. At least one million public service jobs are needed for Americans who cannot find jobs.

Public service jobs programs must be expanded by Congress and must be put into operation promptly and effectively by the U.S. Labor Department and by state and local governments. Such expanded programs to create jobs for the unemployed and seriously under-employed would provide additional badly-needed services in hospitals and other health facilities, recreation facilities, sanitation, pollution controls, and other essential activities needed at the community level. These jobs would help the unemployed and would help financially hard-pressed state and local governments improve and increase their services.

We insist that federally financed public service jobs must be additional jobs and that state and local governments must not be permitted to fire permanent employees in order to hire temporary public service job seekers. Workers hired under the public service employment program should be accorded the same general conditions of employment as regular state and local government employees. The AFL-CIO insists on adequate wages and working standards in all manpower programs in both the private and public sectors. Wages under these programs should be at least at the level of the federal minimum wage or the prevailing rate of pay for the occupation, whichever is higher.

Manpower programs must not be used to subsidize low-wage, substandard employers and to undermine the wages and working conditions of other workers, to aid runaway industries, to subsidize high labor turnover or jobs which do not call for training before hiring.

The AFL-CIO and its affiliates will maintain a close watch over the administration of manpower legislation, and we will bring to the attention of Congress those actions which ignore the will and intent of Congress. We insist upon fulfillment of requirements in manpower legislation that labor organizations directly involved have ample opportunity to comment on proposals from manpower program agents.

National manpower policy must assure continued support for labor union-sponsored programs such as the AFL-CIO's Human Resources Development Institute, Apprenticeship Outreach and on-the-job training. And it must assure continuing opportunity for labor representation and labor participation in manpower planning at the state and local level.

Training services and improvements in the administration of manpower programs are important and necessary, but they are not ends in themselves. Training must be followed by a job if it is to have any value. Administration decentralization and flexibility are not substitutes for job creation and job development.

A good comprehensive national manpower policy would bring together all federally-supported manpower programs under a federal, centrally consolidated administration in the Department of Labor.

As part of such consolidation, we urge that the U.S. Employment Service be federalized. At present, there are 50 state systems. An effective, nationwide employment service should be established to meet the needs of workers and employers on a national basis. In any such consolidation or reorganization, the employment rights of affected workers with regard to pensions, collective bargaining and other benefits must be protected.

Until federalization is accomplished, we urge that steps be taken immediately to strengthen the ability of the U.S. Employment Service to enforce higher standards of performance by state employment service agencies and to assure that the service will pattern its operation according to the needs of workers and employers, to match workers with job-openings and not be hemmed in by community and state boundaries.

The federal government must not give up to state and local governments ("prime sponsors") what are essentially federal responsibilities in policy-making, administration and development of manpower programs. These programs should meet national standards and regulations set by the U.S. Labor Department following consultations with organized labor. And there must be participation by organized labor in planning and administration of manpower programs at the state and local level.

The AFL-CIO insists on a continuing key federal role and federal responsibility in administration and development of manpower programs. A comprehensive national manpower program—giving top priority to full employment—must be national in scope. It must retain overall federal control of policy and direc-

tion, while sharing administration of programs with state and local governments. It must assure a comprehensive approach with consolidation and coordination of all manpower activities under a central administration in the U.S. Labor Department, and must retain such significant categorical programs as the Job Corps. In addition, it should have enough flexibility to allow the emphasis to be shifted from one type of program to another, as the situation warrants; to give special manpower aid to depressed areas; to provide specialized training and job assistance to groups with special manpower needs; and to provide for a vastly expanded large-scale public service employment program.

Consumer Protection

The AFL-CIO has a long tradition of support for measures to protect American consumers and improve their position in the retail marketplace.

Virtually every dollar of a worker's take-home pay is used to purchase consumer goods and services, or to make payments on consumer debt and home mortgages. With worker purchasing power severely cut back by high unemployment and large-scale price inflation, the need for fair dealing in the marketplace is more acute than ever.

Workers' families cannot afford the costs associated with such practices as noncompetitive pricing, inadequate labeling, unsafe or defective products, credit gouging, fraudulent or deceptive sales tactics and exorbitant insurance charges.

The insurance industry in America has $338 billion in assets and collects more than $100 billion in premiums annually. Although it has a major impact on consumers and business, it is not regulated by the federal government and state regulation has proven totally inadequate.

Many insurance abuses have gained public attention: Discrimination based on sex, race, income and place of residence; risk-skimming; excessive premiums, and inadequate compensation to policyholders. Through interlocking relationships with banks and conglomerates, the tentacles of the insurance industry spread throughout the economy.

Over the years, progress has been made in dealing with deceptive practices and in providing relief for those who have been injured or cheated, but much remains to be done. Labor has long advocated measures to cope with consumer problems and has urged remedies ranging from strict inspection of food to no-fault auto insurance. We have supported legislation to strengthen the ability of federal agencies, such as the Federal Trade Commission, to act in behalf of the consumer. Additionally, we have sought the establishment of a special federal consumer protection agency to represent consumer interests before other government agencies as a balance to the historically dominant representation of business interests.

Since the last convention, progress was made on product warranties and credit. The Moss-Magnuson Warranty-Federal Trade Commission Improvement Act provides minimum federal standards on consumer product warranties and strengthens the powers of the FTC in consumer protection. Consumer credit provisions included in the Federal Depository Institutions Act amendments of 1974 set up rules for fair billing practices and establish new rights for credit-card holders. The credit amendments also include provisions prohibiting credit discrimination on the basis of marital status or sex.

The Executive Council at its May 5, 1975 meeting called special attention to problems created when supermarkets install computerized checkout stands and remove price labels from consumer products. The council urged legislation to require that any consumer commodity sold at retail have its price clearly marked on it. The council also called for immediate congressional action to repeal the antitrust exemption which permits the existence of so-called "fair trade" laws in the states, which allow manufacturers to set minimum prices for resale of brand-name products. This type of legalized price-fixing costs consumers an estimated $2 billion a year.

Council Recommendation

The sharp erosion in purchasing power and living standards due to recession, unemployment and inflation points directly to the need for substantive action to protect consumers.

Congress should promptly enact the long-delayed legislation that would establish an Agency for Consumer Advocacy. The attempts by business spokesmen and others, who seek to defeat the bill through amendments to place labor-management relations within the proposed agency's purview, should be rejected.

Many forms of insurance are a necessity for consumers, but buyers are largely at the mercy of virtually unregulated insurance companies. Therefore, we urge the Congress to take the following actions:

1—Immediately pass legislation establishing federal minimum standards for no-fault automobile insurance which will guarantee accident victims prompt and equitable compensation for their losses. By eliminating unnecessary court actions, no-fault insurance could save consumers an estimated $1 billion annually.

2—Remove state prohibitions which inhibit the marketing of group casualty insurance.

3—Undertake a full-scale, comprehensive investigation of the structure of the insurance industry, including: Discriminatory practices against consumers; rate-making; accounting procedures; interlocking relationships between insurance companies, banks and conglomerates, and whether the federal government, and not the states, should regulate this huge interstate industry.

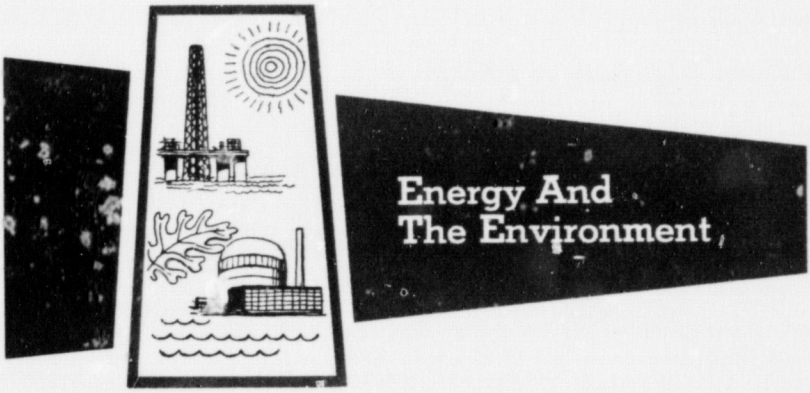
We call for new and improved legislation to improve federal powers and procedures to inspect food processing plants and for

the establishment of a comprehensive fish inspection program. A 1972 General Accounting Office study found that as much as 40 percent of the nation's 80,000 food processing plants were operating under unsanitary conditions, with many plants being inspected on an average of only once every five to seven years. Safety, testing and inspection requirements for drugs, cosmetics and medical devices should also be tightened.

We urge immediate congressional action to repeal the anti-trust exemption which permits the existence of so-called state "fair trade" laws, costing consumers an estimated $2 billion a year.

We support legislation at all levels of goverment to require price marking on consumer commodities sold at retail. Plans being made to discontinue price marking on individual products, as part of a program for installing computerized checkout stands, threaten serious problems for workers and consumers.

We urge Congress to proceed with the broad range of additional legislation in the areas of consumer credit, including but not limited to: regulation of consumer credit insurance; enlargement of consumer rights with respect to records kept on them by private investigating and credit reporting agencies; expansion of anti-discrimination legislation to protect disadvantaged groups, and reform of antiquated legal doctrines under which unscrupulous creditors can victimize working people and the poor.



Energy and the Environment

The Energy Crisis

On the same day the AFL-CIO began its tenth convention, Oct. 18, 1973, the Arab countries launched their oil embargo against the United States—a blackmail effort to force this country to adopt a Mideast policy favoring the Arab nations.

The shock waves emanating from that action are still being felt. Crude oil prices have risen fivefold—a major factor in the double-digit inflation of the past year and the severe recession that has gripped the nation.

The hardships, inconveniences and sufferings endured by American workers and consumers resulting from the peacetime shortage of energy due to the Arab oil embargo are common knowledge. If this were a one-shot occurrence America would need have no concern.

Because oil is currently plentiful and there are no longer any lines at the gasoline pumps, too many people view the energy crisis as a thing of the past. While not highly visible, the energy crisis is still with this country.

The Jan. 23, 1975, emergency session of the AFL-CIO General Board adopted an action program to put America back to work. Included in that program was a call for "immediate government measures to reduce America's dependence on imported oil and establishment of a fair and equitable system of allocation and rationing."

The Executive Council, at its February 1975 meeting, issued a policy statement affirming the action of the General Board. It added: "The cornerstone of the nation's energy policy must be the establishment of a reliable source of energy free from the blackmail threat of a renewed Arab oil embargo while achieving high employment, a dynamic economy and a prosperous and satisfying way of life."

The Administration program to meet the energy crisis is based on a prayer and a hope. Its solution is to escalate prices through tariffs, excise taxes and decontrol and deregulation of gas and oil prices. It is a throwback to the old-time religion. The hope is that rising prices will reduce consumption. The prayer is that reduced consumption will compel the oil producers to reduce prices. Clearly, the prayers of the Administration have not been answered. The oil cartel, despite enormous oil surpluses, continues raising prices.

The Administration proposal to deregulate the price of old oil would ultimately increase its price from $5.25 per barrel to more than $13 per barrel. The combination of added taxes and deregulation of old oil would almost double the average price of oil.

In addition, the Administration proposes deregulating the price of natural gas. That would cost American consumers almost as much as the deregulation of oil. The inflationary impact of the Administration's proposals would be extraordinarily harsh.

Meanwhile, the Congress floundered without enacting any significant program to meet the crisis.

The President and the Congress have placed partisan political considerations above the national interest. Today, almost two years after the Arab oil embargo, this nation still has no energy policy.

Meanwhile, the nation's dependence on oil from insecure foreign sources has increased. America is more dependent on Arab oil than ever before. In the first quarter of 1975, 22.7 percent of the country's oil imports came from Arab countries. This is up from the 17.9 percent in the fourth quarter of 1974 and the approximately 15 percent in the months preceding the embargo.

Certain interests have taken advantage of the energy crisis to try to emasculate environmental objectives. The coal mining industry made every effort to prevent the enactment of reasonable legislation to protect the land from being ravaged by strip mining operators. The legislation passed by Congress in the Spring of 1975 would have allowed full coal production while protecting the land. Unfortunately, this legislation was vetoed by the President.

The AFL-CIO has long been in the forefront of the battle to protect and clean up the environment. This nation can have environmental protection and economic growth at the same time.

The energy battle must be fought on three fronts: Conservation; substitution of plentiful energy materials for scarce energy materials, and increasing energy supplies.

It is urgent that tough mandatory measures be enacted to reduce energy consumption. The nation should not be lulled into a sense of security because there are currently no energy shortages. A cold winter may run up against insufficient natural gas production. The threat of an Arab embargo still exists. At any time, the Arab nations could shut off the flow of oil and plunge

this country into an economic crisis that would dwarf that of 1973-74.

To a large extent the apparent sufficiency of oil and gas supplies is due to the reduced consumption resulting from the economic recession. Should the economy start moving upward, the nation may well experience energy shortages which would halt or slow down the upturn. When that time comes it may well be too late to institute the kind of conservation measures needed now.

It is important that the nation take steps now to convert oil and gas fueled industrial and commercial power plants to other fuels. This is especially imperative in the case of electric utility plants.

The nation should make every effort to accelerate the development of nuclear energy. Initial investment costs for nuclear energy are high, but in most cases it does offer the cheapest form of electricity.

There is legitimate concern regarding the risks and dangers relating to nuclear energy; however, the record to this point has been good. And with continued vigilance and utilization of the safest methods for handling nuclear energy, the record of the past should continue.

A widely-held myth equates reduction in energy consumption with a rise in unemployment. In a report prepared by the AFL-CIO Energy Policy Committee for the February 1975 meeting of the Executive Council no merit was found in this assertion. The report, quoted below, cites a study by Harold Barnett and another by the Ford Foundation in support of this view.

"Harold Barnett, a Washington University professor of economics, revealed in a 1950 study that 'over a quite long period, beginning at least about the time of World War I, U.S. energy grew less rapidly than real national output.' In a more recent study, published by the Joint Economic Committee in 1974, Barnett showed this relationship continuing through 1966. In the following four years, energy usage grew faster than the economy, but this has happened in the past for limited periods of time.

"During this four-year period there were a number of unusual events—use of inefficient stand-by power facilities and difficulties with large generators causing inefficient utilization—that caused this temporary acceleration in energy usage. Despite this short-term phenomenon, the long-term trend still shows energy consumption growing at a lesser rate than national output.

"Barnett projects a rate of energy growth that will not exceed that of real output. In fact, he thinks it more probable that energy usage will decline in relationship to output.

"The Ford Foundation, in its recent report entitled 'A Time to Choose: America's Energy Future,' maintains that the rate of energy growth can be cut in half without hurting the economy. The Ford Foundation found that the 15 largest energy-

using industries consumed 45 percent of the energy used in manufacturing, but produced only 9 percent of the value added and accounted for only 6 percent of manufacturing jobs.

"It is further stated in the report that it is reasonable to expect intensive manufacturing industries will have little if any adverse effect on employment in these industries . . . The United States can grow and prosper and have plenty of jobs—and still conserve energy.

"This country has been wasteful in energy usage because it has not been a major factor in production costs.

"Per capita energy consumption in this country has been considerably higher than in the countries of Western Europe. We can substantially cut our energy usage without any adverse effect on the economy or any permanent increase in unemployment.

"True, there will be dislocations—negligible if the reduction in energy consumption is small, larger if the reduction is larger. Resources that otherwise would have been used for energy could be allocated to other sources. In any case, implementation of the AFL-CIO program would more than offset any dislocation that might occur as a result of reduced energy consumption. A reduced rate of energy growth is not incompatible with a dynamic, full employment economy."

Council Recommendation

So long as the United States is dependent on the importation of oil, shipped in foreign vessels from insecure sources, the energy crisis will haunt this country.

The first steps must be aimed at the elimination of that dependence:

1. Take the importation of oil out of private hands and place it in the hands of government. The government should determine the amount of oil imported, negotiate its price and provide for its allocation.

2. Enact a quota on oil imports, including a ban on such imports originating in those countries that embargoed oil to the United States and Holland in 1973-1974.

3. Establish a fair and equitable system of allocation and rationing. Permit motor gasoline consumption above the rationed amount, but levy a high tax on this additional consumption. The funds created by this tax should be earmarked for the reduction and the ultimate elimination of commuter transit fares and for the development and construction of mass transit systems.

4. Make it clear to any nation contemplating an embargo directed against the United States that this country will strike back with economic measures. To nations imposing such an embargo against this country, export bans would be applied. No item, including military equipment as well as agricultural and industrial commodities, would be shipped to such countries. Their assets in this country would be frozen. All technical assis-

tance would be withdrawn. This country would construe such an oil embargo as economic warfare and retaliate with all the economic weapons at its command.

Energy Conservation

Energy conservation is indispensable. While it is not "The Solution," steps to reduce wasteful use of energy must be taken:

1. Rigidly enforce the 55-mile speed limit which saves lives as well as gasoline.
2. Tax automobiles and other energy-using equipment in relationship to their energy efficiency. Higher tax rates should be levied on energy-wasting equipment.
3. Label energy-consuming equipment with respect to energy efficiency. This will enable consumers to compare energy efficiency as well as price.
4. Revamp gas and electric rate structures to discourage and penalize the use of wasteful amounts of energy.
5. Economize on heating, lighting and cooling through the establishment of temperature and light standards that could be reasonably enforced in industrial, commercial and residential buildings.
6. Require all new and existing structures to conform to energy efficiency standards.
7. Develop and expand mass transit systems and subsidize low fares.

Increasing Energy Supplies

It is urgent that the United States launch a massive program to increase energy supplies. Yet this country need not delude itself that this is an instant panacea.

Increasing supplies from old sources has its limitations. Developing new sources of energy takes time. From the planning board to the consumer may take anywhere from 3 to 10 years.

Since the Arab embargo, more than 18 months ago, domestic oil production has actually declined 4 percent to 5 percent. Billions of dollars of planned utility construction have been cancelled or postponed. Despite enormous U.S. coal reserves, significant moves have not been made to make more effective use of these reserves. Because of the long lead times in developing energy supplies, delay in initiating programs for increasing energy supplies cannot be tolerated. Therefore, we recommend that the United States:

1. Launch a 5-year, $20 billion government-funded crash program to mobilize the nation's scientific and technological resources to develop alternative sources of energy, increase the efficiency of consumption and expand existing sources. Major emphasis should be on expanding existing sources, particularly nuclear energy, domestic oil (including offshore), coal and coal gasification and liquefaction and natural gas.

2. Intensify production from U.S. military reserves while taking proper care to maintain strategic reserves at appropriate national security levels. In the leasing of these reserves safeguards must be taken against exploitation by private interests.

3. Revoke the lease of any oil or natural gas producer who refuses to pump supplies on land leased from the United States. The government should turn these leases over to companies which will produce the needed supplies. Similar action should be taken with respect to any coal leasings.

4. Establish a government corporation for the construction of prototype and new energy facilities which would serve as a cost yardstick. Depending on the success of such prototypes, long-term commitments could be made for the development of alternative energy sources.

5. Give special assistance to the electric utility industry as provided for in the May 21, 1975 statement of the Labor-Management Committee which recommends tax measures and administrative policies to increase electric utility construction and output.

Conversion to Substitute Fuels

A concerted drive should be launched to convert oil and gas fueled plants to coal and nuclear energy:

1. Make a major effort toward increasing the domestic use of coal. A timetable should be established for the conversion of power plants from oil to coal, with appropriate applications of technology to minimize pollution. Electric utilities now consume over 1.5 million barrels of oil daily and substantial quantities of gas.

2. Government action is required to promote the public acceptance of nuclear power. Steps should be taken to reduce the lead time for getting plants into production. A schedule for replacing oil and gas fueled power plants with nuclear energy should be established. Vigilant environmental and safety measures should be continued to minimize risks.

Additional Energy Measures

A comprehensive energy policy should envision a number of other measures:

1. Stretch out as necessary present environmental restrictions on energy production and use to reduce energy consumption and facilitate expansion of domestic energy output. This is a matter of timetable, not of objectives. The advance of technology and development of clean energy sources can permit realization of environmental objectives. The two programs should be viewed as compatible parts of a single problem. Extension of auto emission control standards should provide that the auto companies be required to increase mileage per gallon and to lower prices, dollar-for-dollar, for any cost reduction enjoyed as a result of an extension.

2. Establish a petroleum stockpile to guard against future oil embargoes.

3. Strengthen legislation to provide for the full identification of all significant foreign investments. While there are a few haphazard legislative restrictions on foreign participation in domestic enterprise, additional safeguards are needed to prevent a foreign takeover of major and sensitive facilities.

4. Reject the President's proposal to deregulate the price of natural gas and "old" oil and roll back the price of new domestic oil.

5. Terminate U.S. government subsidies for the giant oil companies, including the intangible drilling expense and the dollar-for-dollar credit against U.S. taxes for these corporations' royalty and tax payments to foreign governments.

6. Enact legislation to prohibit a single company from owning competing sources of energy. This horizontal integration has hampered the development of alternative sources of energy.

7. Enact legislation to require the dissolution of vertically integrated oil companies. The separation of the marketing of petroleum from production and refining would benefit the independent marketer as well as the consumer.

8. Treat giant oil companies as public utilities subject to stringent regulation by the federal government.

9. Enact legislation to require that a substantial portion of oil imports to be transported in U.S.-flag vessels.

10. Direct the Federal Reserve to allocate available credit at reasonable interest rates for the development and expansion of domestic energy resources.

The Environment

For nearly two decades, the AFL-CIO has strongly supported the nation's effort to protect and restore the environment.

The labor movement firmly rejects the counsel of those who say the choice is the environment or jobs. America can and must have a clean environment and jobs, too.

Workable solutions to environmental problems are attainable without sacrificing economic growth, achievement of energy requirements or the goal of full employment.

Over the past two years, the energy crisis, the deep recession, continued inflation and intolerably high and growing levels of unemployment have made workers increasingly vulnerable to environmental blackmail—false claims by employers that controls and standards will result in lay-offs and the shutdown of facilities.

On the one hand there are those who would exploit the fears and frustrations of unemployed workers in an effort to divert the nation from the goal of a clean environment. On the other hand are the "no-growth" advocates who want to clean up every form of pollution except the human pollution of unemployment.

For the past five years, the AFL-CIO has advocated enactment of effective protections against environmental blackmail in air and water pollution control measures to prevent inordinate use of threats of job loss by employers who seek to avoid compliance with pollution control standards. Some protections were included in the 1972 amendment to the Clean Water Act. More effective safeguards, requiring proof of such allegations and civil penalties, were made part of the Safe Drinking Water Act of 1974.

Similarly, the AFL-CIO has also called for assistance programs for workers who lose their jobs as a result of pollution control standards. Worker assistance measures are included in the Trade Act, the Federal Emergency Energy Act, and the Safe Drinking Water Act. Such programs include extended unemployment compensation, rent and mortgage payments, food stamps, manpower retraining programs and relocation assistance.

On January 23, 1975, the Action Program to Put America Back to Work adopted by the General Board called for "immediate release of a substantial portion of the $19 billion in appropriated funds impounded by the President," including $9 billion for construction grants for sewers and waste treatment plants. Release of these funds would generate 225,000 direct jobs for workers in the badly-depressed construction industry, and several hundred thousand jobs in industries directly related to construction activity. Moreover, construction of these plants is essential if America is to have clean water.

These funds were released in January and February 1975 and allocated by the Environmental Protection Agency to implement the program during the remaining months of fiscal 1975 and fiscal 1976. AFL-CIO building and construction trades unions immediately began assisting in assuring a quick start-up of work on these essential facilities which are located in every state of the union. But the commitment of funds has been far too slow.

The AFL-CIO and its affiliates also continued to fight perennial proposals to add job-destroying "ban-the-bottle-and-can" provisions to the Solid Waste Act. This act was extended in late 1974 for another year without amendments.

Legislation supported by organized labor to set federal standards on strip mining was pocket vetoed by President Ford in December 1974. A similar bill passed both Houses of the Congress in 1975, but was again vetoed by the President.

National land-use legislation, pending since 1973, would provide federal grants-in-aid to states and localities for development of broad land-use plans, programs and laws, dealing with land-use and conservation problems of more than local concern. The legislation also proposes standards for orderly use and preservation of land, enhanced programs to acquire land for recreation and housing, and strengthen land-use and environmental

protections on lands owned by the U.S. In the meantime, the Department of Housing and Urban Development has promulgated interim regulations to pending land-use legislation programs in the housing field, which are similar to those in the pending national land-use legislation.

The AFL-CIO also supported the temporary relaxation of ambient clean air requirements contained in the Emergency Energy Act of 1974. The statute included prohibitions against parking surcharges in urban areas; auto emission standards were frozen for a two-year period at 1975 levels, with provision for the auto industry to make a case for extension of an additional year; and some variations were granted on emission standards for electric power plants converting to coal. The Emergency Energy Act also provides that U.S. energy research and development programs be provided with proper environmental safeguards, with research programs to be developed and coordinated by EPA.

The Energy Reorganization Act of 1974 abolishes the Atomic Energy Commission and creates two new agencies—the Nuclear Regulatory Commission, and the Energy Research and Development Administration (ERDA). It will exert a considerable effect on environmental programs. The AFL-CIO has for many years noted that the promotional and regulatory programs of the old AEC operated at cross purposes and should be separated. ERDA is directed to use research and development resources of other agencies to minimize adverse environmental effects of programs to help make the U.S. self-sufficient in energy. The program to develop alternative motor vehicle power systems is now in ERDA, as well as some of EPA's previous authority in the emission control development area.

The Safe Drinking Water Act, signed into law in December 1974, assigns to EPA responsibility for developing standards on drinking water quality, research and development, and of providing grants to states and localities to improve the quality of water used for domestic purposes.

A major national goal of the Clean Water Act, as amended, is to make America's waters safe for marine life and human recreation by 1983. EPA is directed to set guidelines for the states to develop comprehensive plans and schedules to carry out this policy.

Council Recommendation

The AFL-CIO remains firmly committed to protecting, restoring and improving the nation's environment. At the same time, we stand firm in our conviction that environmental policies and programs can and must be reconciled with the employment and energy requirements that are essential to economic progress.

We firmly oppose any environmental policies or programs

which would move this nation into a disastrous no-growth posture. Accordingly, we urge:

1. A stretch out of present environmental restrictions on energy production and use to reduce energy consumption and facilitate expansion of domestic energy output. This is a matter of timetable not of objectives. The advance of technology and development of clean energy sources can permit realization of environmental objectives. The two programs should be viewed as compatible parts of a single problem.

2. That programs to clean up this country's environment be enacted and administered in a manner which does not conflict with the goal of developing and fostering a fully employed economy. There must be continuous oversight by Congress.

3. The National Study Commission to fully consider the social and economic effects related to attaining the goals of the Clean Water Act—no discharge of pollutants into navigable waters by 1985; America's waters made safe for marine life and public recreation by 1983; prohibition of discharge of toxic pollutants in toxic amounts into rivers, streams and lakes.

We oppose legislation at any governmental level which mistakenly seeks to resolve the problem of solid wastes by restricting the use of non-returnable beverage containers. We call upon EPA to abandon its support for this approach.

Such programs only touch the surface of the solid waste problem, and ignore the bulk of the nation's litter problem. Such simplistic proposals would result in the loss of more than 60,000 well-paid, permanent jobs and would divert attention from workable strategies for recycling now being developed.

We propose that America's solid-waste program proceed on the sound basis of resource recovery through which wastes can be transferred into useful materials, such as fuel for power plants. This requires the far-reaching, adequately financed federal solid-waste recovery program embodied in pending legislation to extend the life of the Solid Waste Disposal Act.

We call for expansion of the federal role in developing, implementing and enforcing standards, requiring reporting by all entities dumping solid wastes, control of hazardous wastes, and rapid development of technologies to solve the problems of disposal, collection and separation of solid wastes.

We support establishment of a national land-use policy. However, such a policy must take into full consideration the effects on employment and economic growth in the land-use area. Such legislation should include federal grants-in-aid to assist state and local governments and regional entities in improving existing programs and adopting broad land-use laws, including anti-speculation measures. It should enhance opportunities for acquiring land for low-income housing and public recreation; improving land use and environmental protections on federally-owned lands, and a national study of taxes affecting land-use.

We pledge our continued support of the principle of family

farm ownership, the breakup of huge land monopolies, and strict enforcement of the 160-acre ownership and the anti-speculation regulations of the federal reclamation laws.

We call upon Congress to renew its attempts to enact legislation to regulate strip mining on all lands, despite President Ford's second veto. America needs both the energy and reclaimed land. It can have both through reasonable strip mining legislation.

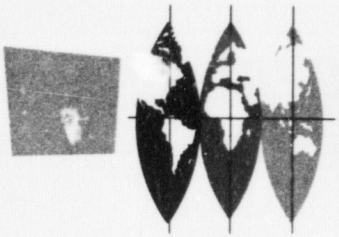
We urge that EPA, with the necessary resources provided by Congress, expand its programs to develop feasible emission technologies so that America's abundant coal reserves can be more fully used to fuel the needs of the electric power industry and other major users of coal.

In order to reduce air pollution and a major drain on energy fuels, the AFL-CIO urges the Congress to establish, in the Energy Research and Development Administration, a high-priority federal research and development program to seek workable and economically feasible alternatives to the internal combustion engine to power the nation's motor vehicles of the future.

We urge further development of safe means to dispose of wastes from nuclear power stations and continuation of reasonable ecological and other safeguards required in the operation of such power plants consistent with orderly and safe development of America's electric power capability.

We strongly urge Congress to adopt a single piece of legislation preventing the use of environmental blackmail on workers by employers seeking to avoid compliance with pollution control standards. Businesses should be required to prove actual job loss resulting from abatement orders with manpower training and other special programs to minimize dislocation and disruption to their lives.

We strongly urge stringent enforcement of the Occupational Safety and Health Act, because a healthful workplace is essential to a healthy environment.



International Relations

World Affairs

Since the 10th Constitutional Convention of the AFL-CIO, the world balance of power has significantly changed. Democracy has come under increasing attack. The strong political, economic and social alliances between nations of the Free World have been weakened by a lack of leadership and the necessary popular resolution to confront the Soviet government's growing number of client nations.

Using and contributing to political contention in various parts of the Free World to commence or heighten existing military conflict, the Soviet Union has succeeded in promoting economic chaos within nations, pitting country against country, region against region, continent against continent. It has fed these fires with a constant stream of military weapons and advisory personnel used by client states and terrorist organizations marching to the rhythm of Soviet presentations within the United Nations and its subordinate agencies.

The power of Soviet totalitarianism has been augmented by the weakening of the ability of its natural adversaries to oppose the publicly-declared purposes of that regime. Further, the Free World has been induced to contribute to the expanding military-industrial machine which the Communist dictatorship plans to use to smash its opposition.

While America has been flooded with contrary propaganda, the nations held captive by Soviet political and military forces have been bound more closely to the USSR and used in world forums to buttress the Communist objective.

Despite a growing yearning for peace and freedom among all peoples, the instruments of subversion and control have been successfully employed within the captive nations and are being tailored for use both in the developing nations of the Third

World and the industrialized nations of the West by the Soviet Union and Communist China.

The fall of South Vietnam and Cambodia to Communist forces is not merely an expansion of Soviet influence. Their capture is a major victory for Communist China as well. Without the direct involvement of its own military forces or the enormous economic and military risks which direct participation in war entail, both Communist China and the USSR succeeded in securing strategic influences and bases to use in an advance of their programs. The USSR and Red China know that there is validity to the domino theory. But what interests them more is the effect of their conquests upon the policies of free nations in the region and the orchestration of fear which these conquests engender with direct and obvious results.

With the abandonment of the war in Indo-China and the capture of the peoples in the region by Communist forces, the people of the United States have turned their attention to the problems of the Middle East where Israel has fought an increasingly lonely fight for survival. All but abandoned by the nations of Western Europe, Israel has had to rely upon its own resourcefulness and inner strength, as well as the certain support that the people, if not always the government, of the United States extend. The economic and political energy warfare waged by the oil-producing states, most particularly those in the Middle East, is but an extension of the Soviet program to use pawns in the winning of its ideological and territorial objectives.

Detente, as an international policy, is an illusory attempt to create an atmosphere among nations in the West and the Third World for a climate of peace and the beginnings of consultation and negotiations with those who oppose individual and political freedoms. Detente serves the purpose of the Soviet and Communist Chinese.

It provides them with the technology and resources of the West, the time to exploit their gains, and drains the Free World of the capacity to defend itself.

Increasingly, detente has become a Western opiate and an Eastern stimulant. Assisted by the destructive activities of the Soviet client states, detente is creating isolationism in the Free World.

The nations of Africa and Latin America have not been spared the cruel thrusts of political repression exercised by dictatorships. Nor have the Soviets shrunk from doing business on these continents with the forces of right-wing extremist groups, for repression is the name of their game and enslavement of the masses is their common cause.

Since the 10th Convention, the Executive Council has called upon the U.S. government to give proper leadership and direction to the American people and the free nations of the world. Such leadership must awaken the people of this great nation to the current political crisis, provide a strong defense to the ag-

gressive acts of dictatorships with equitable solutions to economic problems facing free nations—the only basis for a just and lasting peace.

National Defense

American labor has always recognized that a strong national defense is the only deterrent to the aggressive designs of real and potential enemies. On May 6, 1975, the Executive Council called attention to the relative decline of the defense capability of the democratic world, especially the United States, faced by the menacing growth in the military might of the Soviet Union and its allies.

The Soviet arms budget is growing by at least 5 percent a year. Four new missile systems have been developed, including new multiple warheads and multiple independently-targeted reentry vehicles (MIRVS). The Executive Council noted that the Soviets are violating strategic agreements with the U.S. by building large numbers of new missile silos, testing new ABM technology, perfecting new means of missile concealment and developing mobile Intercontinental Ballistic Missile Systems.

With 50 percent more men under arms than the U.S., the Soviets and their allies have four times the number of tanks, three times the heavy artillery, twice the number of heavy mortars and as many surface combat ships and three times the number of submarines, all newer and faster than their U.S. counterparts.

The rooting of Russian naval bases in the Mediterranean and Red Sea area, giving greater support to its fleet operations and offensive capabilities in the Atlantic and Indian Oceans, is cause for grave apprehension. At the same time, Americans are subjected to the calls of isolationist voices at home and fearful national leaders abroad to further curtail U.S. military forces so thinly spread on the continent of Europe, in South Korea and a few stations in nations growing less hospitable to the United States.

While the Soviet Union and its captive allies continue to build a machine of war and create the divisive and destructive formulas for political and economic subversion of the Free World, the AFL-CIO Executive Council has called upon the President and the Congress to do what must be done to provide for the common defense. The council has said: "No burden we must bear is too heavy to endure if the alternative is to live under dictatorship or the constant prospect of war."

The Middle East

Peace and prosperity in the Middle East are within the grasp of all nations in that region if it were not for the incitement to war and the greed of the Soviet Union. A straw party, the

Soviets participate from behind the curtains to provide the war materiel and armaments to Israel's enemies and foster the climate for energy blackmail that has so willingly been accepted by the oil producers in the region.

With the riches of the Middle East and the abundance of technology and scientific talent which could result with the recognition of the Israeli state, the whole world could benefit from this combination of material wealth and economic genius. Yet, despite the real advantages of peace and prosperity, a corrosive and debilitating war is being pursued for the obvious objectives of the USSR. No other power stands to gain in this struggle, for the riches of Israel are in her people, not her soil.

The destruction of Israel would be the destruction of the future of the Middle East and a loss to the Free World of enormous magnitude. The prize which the Soviets seek is not simply destruction of the seeds of freedom nurtured in the Israeli state. Of major importance to the Soviet Union is the surrogate capture of the energy resources of the region and the use of the land and people as vassals, to deny its worth and consequence to the Free World.

On May 6, 1975, the Executive Council reiterated its unequivocal support of the State of Israel and the labor movement of that nation, Histadrut, with which the American labor movement has had close fraternal relations for 50 years.

The council called upon the Administration to reassert, not reassess, America's commitment to democracy in the Middle East, to Israel. No free trade union movement in any part of the world, either in terms of self-interest or with respect to the morality of the commitment, should do less. No Free World nation, worthy of the name, should fall back in fear of coercion or retribution and accept the Soviet Middle East solution which bears the seal of dictatorship.

Latin America

On August 5, 1974, the Executive Council stated that the people of Chile and their political parties desire a return to a freely-elected and constitutional government, exhibiting the highest standards of democracy and offering complete freedom to all citizens. It is with great sadness that we must forthrightly state that such is the case in many nations of the Americas.

The cruel and inhuman suppression of human rights which has been publicly exhibited in Chile is not foreign to other lands in this hemisphere. Military juntas do not seem very interested in hiding their determination to preserve their jack boot rule. Government by decree, without popular consent, is more the rule than the exception, and the free trade union movements which once flourished are pale and nervous partners of their military companions.

The greatest attention of the AFL-CIO internationally has

been given to our brothers and sisters in Latin America and the Caribbean area. Since the founding of the Inter-American Organization of Workers (ORIT) and before, we have maintained close and constant contact, seeking to support the elected leadership of free trade unions in the New World. Special efforts have been made to provide material and professional trade union assistance to our brothers and sisters in Latin America. Together we have accomplished much in the field of housing, cooperatives and medical assistance to trade union families. We have enjoyed a friendship and comradery which is strong and mutual.

ORIT and its predecessors were founded in common interest with the primary goals of defense and improvement of the living conditions and the employment standards of workers and the strengthening of their trade unions in free societies. The AFL-CIO and its affiliates have given their best efforts to achieve these objectives, and our understanding of the fragility of such close relationships, given the unprincipled opposition to free trade unions in many quarters, has deepened and broadened.

If there is to be division within the Hemisphere, the Executive Council wishes it to be known that it is not our wish. We do not seek nor want division. If divisive actions are taken, they will be the result of a lack of will in the region to promote worker welfare, rather than any lack of commitment from the AFL-CIO to resolving the problems of the trade union movement in the Americas.

Southeast Asia

South Vietnam and Cambodia have fallen. They were the victims of the fraud of detente and those who wished them to carry the fight, but who failed to contribute adequate means to persist in the struggle.

It is now a closed book and a closed society. The war has ended except for the poor millions who must now somehow survive the degradation of the vanquished and the mental and physical enslavement of an ideology which for more than 20 years they worked and died to oppose.

Cambodia and South Vietnam will not satisfy the appetite of the Soviet Union, Communist China and their clients in Hanoi. Dominoes or no, Southeast Asia is marked for subversion by both Moscow and Peking, and obviously the leaders of nations in the area and the people of those states are well aware of this thrust. It is not only states which fall. Often it is the policy of a nation which must fall before it is taken. Policies are changing in mistrust of the strength and determination of this country to defend freedom and in fear of Communist forces as they build on the borders and from within the nations of the region.

Those few thousands of refugees from Cambodia and South Vietnam who have come to America understand the loss of nation. They are living testimony to the falsity of the policy of

detente which has been so rigidly pursued by this government. These new Americans know better than most that U.S. leaders naively misplaced their confidence in the honest response of the Communist parties to the Paris Accords. The systematic violation of every agreement to which the Communists were signator and the American unwillingness to effectively react reinforces this belief.

The Executive Council has called upon the membership of the AFL-CIO to make these refugees of Communist aggression welcome in their communities and urged the U.S. Congress to provide the necessary funding for their settlement in this land. The council also directed the appropriate departments of the AFL-CIO to cooperate fully with government and voluntary programs to assist the refugees to find jobs and housing, to obtain needed social services, and to become integrated in the American way of life.

Asia

Since the 10th Convention, the AFL-CIO has met in joint committee sessions with the Japanese Confederation of Labor on two occasions. These annual conferences, begun in 1968, have maintained a close working relationship between our organizations. They have succeeded in creating and strengthening the understanding and friendship which these organizations have shared since the founding of DOMEI in 1964.

The following statement, issued at the conclusion of the recent meeting of the Joint Committee, demonstrates the breadth of understanding reached in these meetings:

Joint Statement Japanese Confederation of Labor—American Federation of Labor and Congress of Industrial Organizations

On May 20-23, 1975, the seventh regular meeting of representatives of the Japanese Confederation of Labor (DOMEI) and the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) was held in Washington, D.C. Problems posed for the workers of Asia, Japan and the United States, particularly within the context of political changes in Indo-China were discussed in the frank and friendly spirit characteristic of past meetings.

Since the last meeting of DOMEI and AFL-CIO in Tokyo on July 19th and 20th, 1974, the political and economic situations of the democratic world have worsened. The Communist countries have strengthened their position vis-a-vis the democracies of the free nations. South Vietnam and Cambodia are the most recent examples of this trend which portends the destruction of freedom and liberty in other Asian countries.

The original character and purpose of international organizations, such as UNESCO and the ILO, are being distorted by

political objectives. The way in which the current application of the PLO for observer status within the ILO is handled could adversely influence the future of the ILO.

On the economic plane, the twin evils of inflation and recession have advanced unabated, with very little sign of any sectoral improvement during the last year. The hardships of unemployment and reduced living standards visited upon the workers of Japan and the United States by this "stagflation" (unemployment being an unwelcome new phenomenon in Japan) are exacerbated further by the continuing economic and political maneuvering by the international oil cartel and also by government policies designed to sacrifice the workers' standard of living. Unregulated activity of the multinational corporations which export production create even further unemployment in their originating countries while they amass their astronomical profits. DOMEI and AFL-CIO must cooperate in the struggle to overcome the economic blight of "stagflation," to reduce the burdens of the workers and the evils spawned by the multinational corporations by necessary national and international regulations.

The AFL-CIO and DOMEI agree to cooperate to strengthen free trade unions in Asia through specific programs in agreement with trade union organizations. We seek to join with our Asian brothers in a program to increase the power of free trade unions to influence economic and social factors in favor of the membership and workers generally.

DOMEI and AFL-CIO must condemn the threats to the institutions of the democratic world posed by the activity of the Communist powers, and we must restore the ideals of free, democratic trade unionism eroded not only by the illusions of some trade unions concerning detente with the labor fronts of the Communist countries, but also by the Communist-inspired labor movements expanding their activities in the free countries of the world. Only a complete dedication to the liberating values of democracy and freedom can beat back all the combined political and economic woes that threaten the welfare of the workers. No instrumentality can be more effective in this struggle than the cooperative efforts of free trade unionists!

To further all of the above and to permit more frequent exchange of information and to deal with any emergency requirements, it is agreed that a subcommittee of the DOMEI/AFL-CIO Joint Committee be established. The next regular meeting of the Joint Committee will be held in Tokyo in 1976. Subcommittee meetings will be held at a place and time to be determined.

Representatives: AFL-CIO—Mr. George Meany, *President;* Mr. Hunter P. Wharton, *Vice President;* Mr. Joseph D. Keenan, *Vice President;* Mr. S. Frank Raftery, *Vice President;* Mr. John H. Lyons, *Vice President;* Mr. Glenn E. Watts, *Vice President;* Mr. Joseph T. Power, *President, Operative Plasterers' and Cement*

Masons' International Assoc. of U.S. & Canada; Mr. Ernest S. Lee, *Director, AFL-CIO Department of International Affairs;* Mr. Morris Paladino, *Executive Director, Asian-American Free Labor Institute;* Mr. Harry Goldberg, *Representative, AFL-CIO Department of International Affairs.*

DOMEI—Mr. Seiji Amaike, *President;* Mr. Ichiro Shioji, *Vice President;* Mr. Ryoichi Tanaka, *Vice President;* Mr. Yoshiji Watanabe, *Vice President;* Mr. Masao Uenishi, *Assistant General Secretary;* Mr. Iwao Fujiwara, *Member, Committee of International Affairs;* Mr. Naotake Kaihara, *Director, Auto Workers' International Department;* Mr. Masao Aihara, *Director, International Affairs Bureau.*

s/Seiji Amaike
President
Japanese Confederation of Labor
(DOMEI)

s/George Meany
President
American Federation of Labor and
Congress of Industrial Organizations
(AFL-CIO)

Washington, D.C. May 23, 1975

Northern Ireland

The economic degradation and deep human misery in Northern Ireland has been caused by partisan warfare and terrorism that flows from decades of religious and factional strife in the region. The Executive Council has called for a truce, not heightened combat and tension, noting that nothing short of a truce guaranteed by all factions within Northern Ireland will bring the participants to a negotiated settlement.

Any truce guarantee of the peace and stability within Northern Ireland must have the participation of the Republic of Ireland and Great Britain, nations so mixed with the history and future of Northern Ireland that they cannot be separate from the solution to this grave conflict.

For better or for worse, no one can overlook the ties of emigrant Irish to their homeland and the partisanship which they exercise. To what extent such emotion and possible involvement has prolonged the conflict, no one may ever know. Yet the ideological forces which have entered the scene to create and heighten the strife should be openly condemned.

The Executive Council has expressed its conviction that no truce can be achieved as long as political repression, religious and economic discrimination, press censorship and detention of persons without trial by jury are practiced in the name of justice in Northern Ireland.

Europe

On February 20, 1975, the Executive Council expressed its opposition to any and all exchanges with totalitarian labor front organizations, particularly those of the Soviet Union and its satellite states. The council stated that it viewed with disgust the fraternization of democratic Western European labor centers with Communist party labor fronts.

The council quoted the founding convention of the AFL-CIO on this subject:

"The AFL-CIO rejects, as a matter of principle, the idea of free labor sending delegations to any country which prohibits free trade unions, outlaws all free trade union activities and penalizes workers for advocating free trade unionism, whether such countries be Communist or Fascist or any other totalitarian hue . . . Moscow wants free trade union delegation visits to lend moral respectability and legitimacy to its regime which has robbed its people of every fundamental right, keeps millions of its subjects in slave labor camps and denies the workers the right of freedom of association and organization, the right of genuine collective bargaining, and the right to strike."

Many prominent Western European trade union leaders have expounded on the subject of their relations with East Bloc party bosses posing as elected trade union leaders. The constant theme of those remarks indicates that they associate with these Communist party representatives for reasons of "detente." It is further claimed that such exchange visits may some day influence both Communist labor front leaders and the few workers who are contacted to change their views in relation to free trade unionism and even a free society. And, too, they say that the proximity of Western Europe to the Communist-controlled nations of Eastern Europe compels a relationship to prevent fires of animosity from breaking out.

The council noted that the several meetings between Western European trade union leaders and the Communist commissars of worker groups have produced nothing more than an avoidance of the substantive issues during discussions of the workplace environment and toxics in industrial production.

Recently, and probably for the first time in recent decades, a representative of the labor front organization of the Soviet Union has addressed a convention of a free trade union national center — the West German DGB — by special invitation. Just a few weeks before, Alexander Shelepin, former head of the dreaded Russian Secret Police (KGB) and then chairman of the so-called Russian trade unions, paid a short visit to Dusseldorf, Germany, and a longer but politically fatal visit to the British Trades Union Congress in London. Following his London visit, Shelepin was removed from his position by the party chieftains and relegated to a minor post, stripped of his special party powers and chair on the Presidium.

The AFL-CIO Executive Council has reaffirmed the policy of the AFL-CIO regarding exchanges with totalitarian labor fronts. The American labor movement must not compromise its organizational freedom by paying homage to so-called labor movements of totalitarian regimes through programs of exchange and cooperation. The dissolution of that resolve in Western European labor bodies, the last bastions of freedom in a disunited Europe, is cause for sadness and concern.

Portugal

The Executive Council has viewed developments in Portugal with grave concern, particularly the Communist-military alliance which has been imposed upon the people of Portugal and legitimatized without a popular vote. The council has called attention to the tactics of the Portuguese Communist party as further evidence, if any still be needed, that such parties, wherever located, will not shirk from imposing minority rule to achieve power.

The council has called upon all free trade unions and all democratic governments to protest and condemn this new Communist-military alliance that threatens freedom, democracy and peace in Portugal. It has asked that the government of the U.S. speak out against the increasing evidence of basic violations of human and trade union rights in Portugal—violations which should be the subject of inquiry at the United Nations. It has urged that the government of the United States grant economic assistance to a democratic, not a dictatorial government, in Portugal.

International Labor Organization

In February 1975, the Executive Council warned that admission of the Palestinian Liberation Organization to observer status by the Annual Conference of the ILO in June of this year should cause the United States to weigh the usefulness of the ILO in the future.

Subsequently the Annual Conference of the ILO voted overwhelmingly to admit the PLO to observer status. This blatant, hostile act provoked the entire U.S. delegation (workers, employers and government delegates) to walk out of the session.

In departing the annual conference session, the head of the U.S. government delegation stated: "This Conference has just betrayed the first purposes of this organization."

He continued, by saying: "This forum and this organization, so carefully designed to prevent interference by political dispute, has nonetheless been diverted from its true and important concerns by a contentious political act. The interaction here between the three groups represented on our delegation has been damaged and subverted by the introduction—against the wishes of millions of American and other workers—of an entity which is neither a government, nor an employer, nor a union.

"It is too early to judge the final full effects of this selfish subversion of the true purposes and procedures of our organization. Those who heedlessly brought about this unnecessary tragedy did not weigh against their political purpose the wide-ranging interests of labor which this organization has served so well. We whose workers and citizens have been profoundly confronted must now do so."

The Worker Delegate, Irving Brown, spoke briefly to the point: "Mr. President, practically every nation here represented has at least one or more liberation, or terrorist, organizations operative within and outside its national boundaries. I suggest that the action of this plenary just completed opens the door for other non-tripartite organizations to be admitted to this heretofore essentially technical organization, further removing the ILO from its once-vaunted role as the world's only tripartite organization designed to better conditions of work and life of workers and their dependents the world over.

"Efforts were made, Mr. President, to amend the actions which ultimately have brought us to this juncture in the appropriate committee. But these good faith efforts were spurned, making the action which has taken place offensive to my delegation.

"On that regrettable note, Mr. President, it is the intention of our Delegation at the proper and appropriate moment to withdraw from any further participation in this 60th Conference of the ILO. We shall withdraw our credentials through appropriate channels, as well."

The action taken by the Annual Conference has ended the usefulness of the International Labor Organization until remedial changes are undertaken.

Council Recommendation

The AFL-CIO takes cognizance of the disastrous events affecting the Free World since the Ninth Convention. The burdens at home, as well as the destruction of freedom in lands abroad, weigh heavily upon union members and citizens throughout the land. The AFL-CIO places more trust in the balance and stability of the American people than in the poor leadership this country has endured in this period. Certainly the credibility of this great nation has been subjected to strain, and its people are dangerously perplexed and chagrined.

Above all else, the false policy of detente and the pursuit of this illusion of cooperation with dictatorship is the major inspiration and cause of aggression and terrorism in the world today. It permits both political and economic subversion of the Free World. It consumes the reason as well as the will to resist, because detente implies a mutuality of accord which does not exist. Nor will the Conference on Security and Co-operation in Europe agreement signed at Helsinki or any other such non-binding

piece of paper bring honor to a policy which is a living lie in Moscow and already a fallen hope in the 29 captive nations.

The AFL-CIO calls for moral strength, committed leadership and renewed effort on the part of the labor movement to convince the government of the United States to cast aside the illusions that have brought America to the brink of national and international disaster. We reject the notion that a supine America will appease a Brezhnev or an Arafat. This image and posture created by the U.S. government must be erased by deeds designed to regain America's leadership of the Free World.

The AFL-CIO calls upon every branch of government and the domestic institutions of this nation to seek the leadership and the policies requisite for human progress at home and abroad. The labor movement of this country must lead this effort lest our freedoms and those of free labor everywhere perish beneath dictators' boots.

American Institute for Free Labor Development (AIFLD)

Since its founding in 1961 by the AFL-CIO, the American Institute for Free Labor Development has successfully encouraged the development of democratic labor institutions in Latin America and the Caribbean. Through its educational and social projects programs thousands of trade unionists in the southern part of the Western Hemisphere have participated in the economic and social development of their countries with the cooperation and timely assistance of the AIFLD.

In its first 13 years of operations, AIFLD has trained 259,876 labor leaders—257,928 leaders at residential centers and in regional seminars in Latin America and the Caribbean; 1,803 leaders in an advanced course at its institute in Front Royal, Virginia; and 145 selected Latin American and Caribbean labor economists in advanced training at Loyola University in New Orleans, Georgetown University and Mount Vernon College in Washington.

A study recently completed showed that an overwhelming majority of AIFLD's graduates from the Front Royal courses and the labor economics courses at Georgetown continue to remain active in their union affairs. Many have attained higher union offices or other positions of greater responsibility. Some have become highly involved in important trade union movements and, with AIFLD encouragement and technical assistance, have embarked upon basic trade union educational programs of their own. Others have also increased the number of self-financed programs.

Development of social projects continues. In the past two years nearly 2,000 low-cost housing units were completed and assigned

to trade unionists. This raises the total to more than 18,000 units during the past 13 years.

During 1974 AIFLD established labor economics research centers in San Jose, Costa Rica, serving the Central American Common Market, and in Bridgetown, Barbados, serving the Caribbean Free Trade Area. These centers do extensive research in statistics, productivity, manpower, job evaluation, comparative labor law and other areas which will assist unions in negotiating substantive collective bargaining agreements aimed at assuring the stability of existing contracts.

Through the AFL-CIO Impact Projects Program, interest-free loans and grants are made available to democratic labor movements in Latin America and the Caribbean to carry out social projects including building school houses, operating dental and medical clinics, supplying medicines to clinics and other community development projects. Loans and grants in excess of $60,000 were made in 1974 to unions in the Dominican Republic and Ecuador for medicines, for medical clinics in Uruguay, and for community centers in Panama and Bolivia. These projects were financed from the original $600,000 given to the program by the AFL-CIO, plus repayments from previous loans. To date 402 projects have been approved in 22 Latin American and Caribbean countries. All of these projects require substantial self-help and in addition to the types of projects approved for 1974 they include school construction, disaster relief, cooperative development and other projects of a type of general interest to the community.

Under AIFLD's Regional Revolving Loan Funds, loans from $5,000 up to $50,000 are made available to qualified democratic unions at minimal interest for social projects ranging from building a hospital in Fortaleza, Brazil, to helping finance a labor college for the Barbados Workers' Union and a cooperative educational center for the hotel workers of Colombia. Furthermore, when Hurricane Fifi hit Honduras, RRLF financing went to the banana workers to help rebuild their credit cooperative and to establish a factory for emergency prefabricated housing.

Through its educational programs in-country, AIFLD has provided democratic labor movements with technical assistance to help them increase their memberships by organizing new industries in their sectors. AIFLD was instrumental in 1974 in assisting the democratic labor movement in Uruguay to enroll its unions in the National Register of Unions established by the new Uruguayan labor law. Before this registration, the Marxist-dominated National Convention of Workers (CNT) controlled an overwhelming number of Uruguayan unions.

The outstanding progress made by AIFLD during its 13 years of existence demonstrates that accomplishments can be achieved through labor-management-government cooperation in a sincere and determined effort to assist trade unionists anywhere in the world to attain their goals for a better life and a more viable democratic society.

African-American Labor Center (AALC)

In pre-independence days, the African unions were often the only permissible institutions within the colonial structure through which Africans could pursue independence. Today, when the African countries have come increasingly under one-party governments or military regimes, the unions are again among the few institutions that provide a channel for popular participation.

In 1964, after consultations with African trade unionists, AFL-CIO President George Meany established a specialized institute to deal with African labor. The African-American Labor Center began operations in 1965. Its basic goals are:

- Strengthening the free and democratic unions in Africa.
- Contributing to the economic and social development of the African countries.
- Increasing popular participation in the national development process.

The AALC is governed by a Board of Directors with George Meany as chairman and president, Frederick O'Neal as secretary-treasurer and Patrick O'Farrell, executive director. Other members of the board are presidents or top officers of leading unions in the United States.

Policy guidance is provided by the AFL-CIO and the African-American Consultative Committee, composed of four leading African trade unionists. Other internationally prominent union officials are often invited to contribute to meetings of the committee, which are held annually concomitant with the ILO Conference in Geneva, Switzerland.

The administrative structure of the AALC involves a staff of 14 at its New York headquarters and 15 regional representatives and technical advisors in Africa. In addition, AALC employs about 100 African educators, trade unionists and vocational training experts who usually administer or teach in its programs.

Regular contact is maintained and programs are often coordinated with African missions to the United Nations, the Economic Commission for Africa and the Organization of African Trade Union Unity, and intergovernmental bodies such as OAU, OCAM and the ILO.

The AALC has also developed close working relationships with many international trade secretariats, among them the International Federation of Commercial, Technical and Clerical Employees, the Glass Bottle Blowers Association, the International Federation of Free Teachers Unions, the International Federation of Journalists, and the Postal, Telegraph and Telephone International. These programs are developed with the various American affiliates of the trade secretariats.

Because a substantial part of its programs are in French-speaking Africa, the AALC cooperates with the French labor movement through the Force Ouvriere's Institut Syndical de

Cooperation (ISC). Since the ISC's founding in 1972, the two organizations have jointly sponsored a vocational training school in Senegal and two medical symposiums.

The AALC works in close partnership with African trade unions and develops its programs at the invitation of and in cooperation with these unions and with the full endorsement of the host governments. Since its inception in 1965, AALC has undertaken 245 national and regional programs of assistance to trade unions in 37 African countries. While it is difficult to determine the number of people who have benefited from its activities through training in Africa and the United States, it has been estimated that over 100,000 workers have received instructions under the aegis of the AALC.

Programs cover the following basic areas of activity: workers education and leadership training; cooperatives and credit unions; social services; study programs (U.S.); research and development economics; and communications.

All projects are geared to "Africanization"—the eventual assumption of complete administrative and financial responsibility by the various African labor movements. In the past five years, for example, five major institutions have been turned over to the unions in Dahomey, Ghana, Kenya and Nigeria. The unions and government of Senegal formally announced this spring that by 1976 they would assume total responsibility for the Tailoring Institute in Dakar.

There have been three major issues which have dominated the political and economic life of the African continent during the past two years: the devasting drought, which has extended 4,000 miles across the continent from Senegal to Ethiopia; the pressures of worldwide inflation and exorbitant administered oil prices, which are hitting the Black African nations harder than most; and finally, and perhaps most importantly, the rapidly developing political changes in the southern third of the continent, which could well lead to the most significant changes in Africa since the early 1960s when most of Africa obtained independence. Against this background, there has been a trend toward a one-party state and/or direct military rule. The trade union movements have, for the most part, remained relatively independent of this and continue to speak effectively for the workers—within the context of these newly evolving political systems.

The future development of most of Africa is largely dependent upon external influences beyond its control. The devastation of the drought has been at least temporarily alleviated by rains in some of the affected areas. But the situation is tenuous at best. If the rains do not continue, further disaster of unimaginable proportions could ensue. And, even with the best of weather conditions, it will be years before the economic and social dislocation already experienced could be rectified.

Much of Africa is seriously hampered by the present trend of

worldwide inflation. In these nations, which are starved for investment capital in the best of times, a long inflationary spiral affecting the price of capital and manufactured goods at a rate far in excess of the general price increase of their raw material exports can only lead to a worsening economic situation.

The degree of rationality which can or cannot be brought to bear on the settlement of the potentially explosive situation in southern Africa will have a long-lasting effect not only in that third of the continent but on all of Black Africa.

To the degree that trade unions can be assisted to grow and establish themselves as viable and reasonably independent voices speaking for the workers of Africa, they can be a positive factor in helping to establish the stability required to see the African nations through the almost certain difficult period ahead.

The AALC, as a specialized institute of the AFL-CIO, maintains its full-time commitment to the labor movements in Africa, and to the social and economic welfare of that continent.

Asian-American Free Labor Institute (AAFLI)

The Asian-American Free Labor Institute, established in January 1968 as an auxiliary of the AFL-CIO, works in Asia in order to promote the growth of free, effective trade unions as the surest guarantee of a free and prosperous society.

AAFLI works directly with trade unions in host countries and sponsors programs in conjunction with AFL-CIO affiliates and their international trade secretariats. These affiliates are the American Federation of Teachers, the Brotherhood of Railway, Airline and Steamship Clerks, the Glass Bottle Blowers Association, the International Brotherhood of Electrical Workers, the International Union of Electrical Radio and Machine Workers, the International Association of Machinists, the International Alliance of Theatrical Stage Employees, the Retail Clerks International Association, the Oil, Chemical and Atomic Workers Union and the United Steelworkers.

AAFLI's assistance projects focus on educational and social programs. Since its inception, AAFLI has jointly sponsored over 700 seminars for rank-and-file trade unionists as well as union leaders in such diverse subjects as trade union administration, dues collection, arbitration, job evaluation, time-and-motion study, mediation, research techniques and many other topics. Over 29,000 trade union men and women have attended these courses in Bangladesh, India, Indonesia, Jordan, Korea, Lebanon, Malaysia, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand, Turkey and Vietnam. Levels of sophistication vary from elementary to advanced and the courses are designed to meet both urgent and long-term educational needs of specific unions and federations.

In the Philippines, for instance, following the promulgation of a new labor code mandating increased use of arbitration, AAFLI assisted dozens of unions with training their representatives in the basics of arbitration. Follow-up courses were held where concepts and techniques were explored in greater depth. This led to a national arbitration symposium sponsored by AAFLI and the Philippine Arbitration Association. This year the program has entered a new phase with AAFLI undertaking a program to train impartial arbitrators.

AAFLI helped the Turkish national labor center, Turk-Is, study the confederation's and its affiliates' total trade union education efforts. An expert from the AFL-CIO Labor Studies Center headed the project. One of the results of the review was an in-depth study of how Turk-Is affiliates handled the implementation of job evaluation systems. This led to a series of seminars sponsored by AAFLI which enabled union leaders to have a greater say in the development of such systems.

In Korea AAFLI sponsors numerous courses in conjunction with affiliates of the Federation of Korean Trade Unions.

Social projects have an immediate impact upon a union and its members. They are as diverse as the countries in which they are developed. In Bangladesh women tea workers have received cloth material from AAFLI which enabled them to make dresses. Without this small project, many of the women would not have been able to work owing to a lack of clothing.

Affiliates of the Federation of Korean Trade Unions (FKTU) and AAFLI have worked together in improving workers clinics. A wing was built for the Mokpo Labor Hospital, a recuperating ward (which was not previously available) was added to the Cheju Dock Workers Clinic, and much-needed equipment donated to each. In one case, an AAFLI assistance project was coupled with an AFL-CIO Impact Project grant to treat workers suffering from tuberculosis. Clinic projects and innoculation campaigns have also been sponsored in the Philippines and Jordan. Shelters and basic medical services have been provided for migrant workers in Turkey.

Emerging unions in Thailand have received typewriters and mimeograph machines allowing better membership communication. Union community centers and educational facilities, including combined vocational training and day care centers, have been built in the Philippines with AAFLI assistance. A sewing school was established in Kathmandu for wives, daughters and sisters of members of the Nepalese Labor Organization. A labor library was recently built and furnished by the Institute in Jakarta for the All Indonesian Federation of Labor (FBSI).

In Vietnam, the Institute assisted in the evacuation of more than 40 Vietnamese Confederation of Labor (CVT) officials, AAFLI staff and their immediate families totaling more than 400 persons. These refugees are now being resettled in the U.S. with the assistance of the AFL-CIO.

The Asian Impact Project Fund, set up in May 1971 with a grant from the AFL-CIO Impact Project Program, provides grants or interest-free loans for self-help projects in meeting basic community and union needs. Projects in the last year included medicines for the Turkish migrant workers clinic, a school in Vietnam, a mobile clinic in the Philippines, a grant to a union community center in Papua, New Guinea, office equipment for a Lebanese union whose headquarters was sacked by extremists, and flood relief for Bengali workers.

The institute's programs continue to grow, and while much has been accomplished, much remains to be done.

International Trade and Investment

The United States position in world trade and the world economy worsened as new shocks affected the international economic structure during the past two years. Sharp adverse impacts on the U.S. economy affected U.S. jobs, production and living standards and helped depress the U.S. economy and its industrial base. New, realistic U.S. policies are urgently needed to improve the American standing in a changing economic world.

This country's economy was already suffering from mismanaged trade and investment policies when the October 1973 oil embargo created an energy emergency and higher oil prices fueled global inflation. Shortages and higher prices cost U.S. jobs and production, accelerated the economic downturn and further weakened the U.S. position in international trade and investment.

- The U.S. trade balance swung back and forth from surplus, to deficit, to surplus, but trade patterns changed sharply in composition and amount. Both imports and exports in 1974 shot upward. Imports exceeded $100 billion and exports reached over $97 billion. Sharp recession at home and world-wide recession slowed both imports and exports in early 1975.
- The dollar's value in relation to other currencies gyrated, with the dollar plummeting to a level 20 percent below its June 1970 level in relation to all countries. It was much lower in relation to specific national currencies, such as the Swiss franc and the German mark. Other countries sought new money systems to avoid using the dollar as the basis of world currency. Rapid shifts in the U.S. balance of payments—as much as $10 billion in a few months—created new uncertainties.
- The outrush of U.S. capital, production facilities and jobs increased. U.S.-based multinational corporations spent more on new property, factories and equipment abroad. Foreign investments by these companies increased 20 percent in 1973, 24 percent in 1974, and are expected to rise 17 percent in 1975 to a level of $29.6 billion. Multinational firms and banks and every national-base—U.S., Japanese, European, Soviet—expanded worldwide and met new reactions at home and abroad. Sharp inflows of foreign investment in the U.S. aroused new concerns.

• Sudden increases in economic power of nations producing raw materials gave new international economic prominence to the Arab states and other "developing" countries and led to new relationships with multinationals.

Despite all these changes, U.S. laws and policies continued to subsidize foreign expansion of U.S. multinationals, and the Trade Act of 1974, which failed to come to grips with any of those problems, was enacted. In 1975, armed with more authority and power, U.S. negotiators made new international arrangements and shifted policies without regard to effects at home. Even the few limitations on that power in the Trade Act were ignored.

Starting in October 1973, the six-month Arab oil embargo and the more than 400 percent oil price increases levied by Arab-dominated cartel of most oil-producing nations further fueled world inflation and created an energy crisis. This shook the international economic structure, shattered normal trade patterns and sent national currencies into further disarray. Nations with once comfortable trade balances desperately sought new ties with oil-producing nations and scrambled for new export potentials to earn the price of industrial survival—the price of oil.

The energy emergency hit the U.S. economy when it was already in serious trouble, partly as a result of misguided foreign trade and investment policies. American workers, consumers, businesses and local communities were suffering from the erosion of the U.S. industrial base since the early 1960s. Rising imports wiped out more than a million jobs in a brief period of time as production of many types of goods and whole industries were engulfed by a flood of imports. Continued export of American technology and capital at explosive rates sent more American production facilities and productivity know-how abroad, costing the American economy both badly-needed new jobs and job opportunities as well as the benefits of more efficient production. Basic U.S. raw materials, including food, were being exported, creating shortages and adding to inflationary pressures at home.

With global inflation continuing and with new money power in the hands of the Organization of Petroleum Exporting Countries (OPEC), temporary shortages affected various types of production in the U.S. during 1974. Raw materials shortages and new demands by countries which produced those raw materials led to new problems. Some countries began to require companies to use raw materials and to bring new technology to their closed economies for production within their borders. This led to new threats to the U.S. industrial system. Other countries began to move their currencies away from the dollar as a basic world currency. The International Monetary Fund sought new ways to substitute international credits, called Special Drawing Rights, to avoid using the dollar as a measure of international interchange.

Multinational firms and banks continued to use U.S. trade, tax and other laws in combination to achieve their world-wide advan-

tage. They continued to export production facilities, money and jobs, and to juggle prices, currencies and credit to maximize their world-wide objectives. They licensed the newest technology for use abroad and combined in joint ventures with foreign governments and foreign companies regardless of the impact on the U.S. need for jobs, production, capital or supplies.

In January 1974, the Administration removed the few remaining controls on capital outflows and the multinationals were free to export U.S. jobs and production at an accelerating rate.

In February 1974, the AFL-CIO Executive Council called for changes in U.S. policy and new trade legislation to meet the shattering effects of the oil crisis and new problems. The council restated the deficiencies in the House-passed trade reform bill and called upon the Senate to rewrite the legislation to meet America's needs and the realities of the 1970s.

The AFL-CIO proposed a 12-point program, including mechanisms to regulate imports and exports, tax policies, multinational policies and other measures needed to reflect the changed world situation. In addition, the council called for a re-examination and limitation of the Export-Import Bank operations, including providing low-interest money to the Soviet Union and other communist countries. It called for restraints on capital and technology outflows. The council urged that so-called non-tariff barriers—any legislative provision that interferes with trade—which affect consumer protection laws and social legislation be barred from negotiations.

The council also called special attention to the U.S.-Soviet Trade Agreement and the resultant transfers of technology at the expense of the U.S. taxpayer. Actions to implement the Case Act, which requires Executive Branch disclosure of trade agreements, and to stem the outflow of technology at bargain basement prices were emphasized.

The AFL-CIO called for termination of the Overseas Private Investment Corporation (OPIC), in any form. OPIC is a wholly-owned U.S. government corporation set up to encourage private investment abroad. Under its provisions, insurance and guarantees on incovertibility of funds, expropriation and war damage are direct obligations of the government and the "full faith and credit" of the U.S. is pledged for meeting claims in case losses should exceed money available in the corporation's reserves.

In March 1974, President Meany and several members of the Executive Council, as well as representatives of AFL-CIO affiliated departments and unions, appeared before the Senate Finance Committee to seek adoption of these policies.

Newsletters and statements on the need for new trade legislation, OPIC, the Export-Import Bank and East-West trade were distributed widely and efforts to apprise Congress of the facts continued throughout the year.

In May 1974, the council again emphasized the need for controls of exports of farm products and crude materials in short

supply, and supported adequate tax, trade and investment policies and an end to the subsidies for multinational corporate expansion abroad. The council stated that the Administration-supported trade bill was "worse than no bill at all" and urged the Senate to reject the bill.

In October, President Meany again called attention to the Senate Foreign Relations Committee to the impact on the U.S. economy, jobs and social needs from proposed "detente" arrangements which had become the key public consideration of the Trade Act despite its far-reaching domestic economic effects.

As the end of the year neared and the economy continued to worsen, council members and affiliates continued their efforts to get attention to the problems of the trade bill. The American public, the council noted in November, was being deceived into believing that "the sole obstacle to a new era in world trade" was resolved by an agreement with the Soviet Union to soften its emigration policies.

This "simplistic view," the council continued, beclouded the complicated issues before the Senate that threaten the accelerated loss of American jobs, further erosion of the American industrial base and encouragement of even heavier imports into this nation's beleaguered markets. The nation had already suffered a loss of 333,000 manufacturing production jobs in the previous 12 months, 199,000 construction jobs, 12,000 transportation and public utility jobs. The AFL-CIO, the council stated, "finds nothing of value in this trade legislation for the American worker, the American consumer and the American economy."

The council pointed out that the Secretary of State had been negotiating throughout the world, and this fact disproved the Administration claim that new trade legislation was needed for international negotiations.

Regrettably, the Congress was listening to the siren song of "detente" and not the voice of economic reason.

In December 1974, following passage of the trade bill, an editorial by President Meany in the AFL-CIO News, entitled the "Politics of Deceit," explained how the Congress had been duped into believing that the Soviet Union would relax its emigration policies if the law was passed. In passing the bill, Meany said, the Congress had listened to the same "advisers who had created the economic mess, with millions of unemployed and rampant inflation."

President Meany emphasized the deliberate pattern of deceit, on the part of the Secretary of State and others, who had failed to tell the Congress the facts in October when it was clear the Soviet Union would not relax its restrictive emigration policies, particularly against Jews and intellectuals. This delusion hastened passage of the bill without regard to its other provisions.

In January 1975, trade and investment issues were among the key action points in the AFL-CIO Action Program to Get America Back to Work.

Even though the new trade law is unfair and job-destroying the council in February 1975 urged presidential, congressional and affiliated-union efforts to use any provisions that could help to minimize the damage to U.S. jobs and production. Affiliates were asked to take part in public hearings and to make labor's case known in every possible forum.

Council members, affiliated unions, and state and local AFL-CIO units responded by appearing at hearings before the International Trade Commission, the Special Trade Representative's office and the President's Economic Policy Board from March through the summer months. They advised the Trade Commission that the impact of tariff cutting would cause worse unemployment problems in their own trade or geographic area, and urged that the U.S. economy not be made the dumping ground for even more destructive imports. These trade unionists emphasized the pitfalls in the wide-ranging issues of international trade negotiations. In addition, unions participated in the Labor Policy Advisory Committee and the Labor Sector Advisory Committees on trade negotiations to advise the President and the negotiators about the needs of American labor.

The AFL-CIO called upon the Congress to enforce those parts of the trade law which could help strengthen America, to maintain oversight of the negotiations and to minimize the damage to U.S. workers because of massive imports and the export of American jobs, technology and capital. The council opposed granting special import preferences for low-wage countries as well as expanding imports from Communist countries "while American workers are desperately in need of jobs."

Nevertheless, the President concluded a trade agreement granting most-favored-nation treatment to Romania and announced his intention to grant preferential zero tariffs on imports from almost all the low-wage countries of the world.

To overcome these injuries and reverse the oppressive economic impact on America, new legislative action was urged to change the tax, trade and investment laws to assure an end to the export of American jobs.

But as the severe recession weakened the U.S. economy, this country's trade posture was shifted once again into a condition where exports of the newest equipment, essentially subsidized by one or more government programs, and subsidized exports of food materials were somewhat greater than imports into the depressed market.

The Administration continued to shift its negotiating stance to make special arrangements with many countries of the world without informing the public and organized labor. By mid-1975, the AFL-CIO's predictions of the consequences of passage of the Trade Act had proved all too accurate. The nation was in a deep recession and, for jobless American workers, no end was in sight. Nevertheless, imports of specific products continued to be

encouraged by the nation's economic policy makers and by multinational firms, while unemployment remained America's Number One economic and social problem.

Council Recommendation

America needs both emergency action and long-term policy changes to meet its needs in the sharply shifting international economic world of the 1970s.

The Trade Act of 1974 is now law. The AFL-CIO remains convinced that this statute will cause more unemployment and more production losses. Nevertheless, actions can be taken under the law and some of the provisions can be used to minimize the damage.

- The President should use his authority under the Trade Act of 1974 to immediately curb those imports which are adversely affecting employment and which are contributing to the huge balance of payments deficit.
- The President should impose import restrictions against countries whose trade practices have placed unfair burdens on U.S. commerce.
- Although weakened by the Act, the countervailing duty and anti-dumping provisions of the law should be vigorously enforced by the President to meet unfair competition from abroad.
- The President should immediately curb the export of raw materials, technology and products which adversely affect the national interest, as provided in the Trade Act and the Export Control Act.
- The President should reassess foreign economic policy from the standpoint of the U.S. economy and gear negotiations toward that end.
- Congress should carry out its new authority for oversight of trade negotiations through a comprehensive program of direct input and monitoring of the trade negotiations.
- Congress should carefully examine all trade agreements reached through negotiation and refuse to ratify those which adversely affect domestic employment and U.S. production.
- Congress should maintain constant oversight activities to insure effective implementation of those provisions of the law that may be used to aid workers and to preserve U.S. jobs and U.S. industries, such as anti-dumping, countervailing duties, adjustment assistance, adequate reporting and limitation on import-sensitive items.
- Congress should not approve any new trade agreements that include concessions that allow increased imports from communist countries while American workers are desperately in need of jobs.

However, implementation of all of the above measures can only minimize the damage that U.S. workers and America's industrial

base are suffering because of [illegible] imports and the export of American jobs, technology and capi[illegible].

To overcome these injuries and to reverse the oppressive economic impact on America, Congress must initiate immediate legislative action. This legislative action must include:

1. Establishment of a mechanism to regulate imports and exports.

2. Revocation of provisions for the deferral of tax payments on foreign-earned profits.

3. Elimination of the foreign tax credit, which provides U.S. companies with a dollar-for-dollar credit against their U.S. tax liabilities for their foreign tax and royalty payments.

4. Repeal of Sections 806.30 and 807 of the Tariff Code which encourage foreign production for shipment back to U.S. markets.

5. Regulation of the export of American capital and technology which results in the export of American jobs.

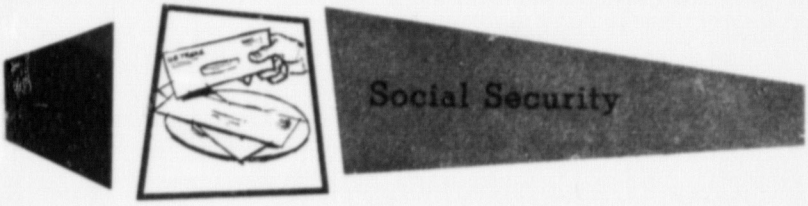
6. Reporting and monitoring of all international flows in and out of the U.S.

7. Regulation of foreign investment in strategic industries or investment that interferes with U.S. economic progress.

8. Repeal of provisions of the Trade Act of 1974 which encourage multinationals to expand abroad.

The AFL-CIO supports strong, vigorous, fair international trade. But the rising tide of restrictions abroad, the ever-increasing impact of the multinational corporations, the staggering balance of payments deficits and the depression-level unemployment at home require emergency measures.

The immediate implementation of the job-protecting provisions of the 1974 Trade Act by the President and the Congress can help. Vigorous participation by import-injured unions can help laid-off workers and those threatened with layoff. And, most important, remedial action by the Congress in the form of new trade legislation is necessary to revive the badly stricken American standard of living and restore the millions of U.S. jobs that have been lost.



Old Age, Survivors, Disability and Health Insurance

Social Security beneficiaries were running a losing race with inflation during the last two years—a scourge faced by all Americans but even more burdensome to the elderly.

Inflation breeds misery among older Americans. It denies them basic necessities and aggravates their already serious health problems. This is because the large majority of the elderly are living on low, fixed incomes—a third of them below the poverty level. Since it is necessary for most of the elderly to spend their total income to meet basic needs, increased living costs reduce immediately the goods and services they can buy—in short, force them to cut back their already low standard of living.

The inclusion in 1972 of a cost of living escalator in the Social Security law to make benefits "inflation-proof" was a historic legislative achievement. However, Congress had to move the effective date forward, originally Jan. 1, 1975, because the cost of living was increasing so rapidly that it was badly eroding Social Security benefits. Congress therefore put through a two-step cost of living increase totalling 11 percent which took effect in 1974 and changed the effective date of the first automatic cost of living increase. Congress ignored the Administration's request to hold the 1975 increase to 5 percent and permitted the first automatic cost of living increase of 8 percent to take place in June 1975.

The rapid inflation and massive unemployment of the past two years have aroused some concern over the fiscal soundness of the Social Security system. This understandable concern has been aggravated by a tidal wave of groundless charges in the media that the Social Security system is in danger of collapse. These distorted and alarmist charges may be part of a campaign to discredit the program in order to prevent essential improve-

ments and to forestall enactment of Health Security, which is based on social insurance principles.

Even relying on the most pessimistic assumptions, there is plenty of time to make any necessary adjustments in the program. Whatever short-term or long-term financial problems Social Security may face a manageable. They do not jeopardize the fundamental soundness of the system or its ability to pay benefits when due.

A number of social insurance experts, representing both political parties, including five former Secretaries of Health, Education and Welfare and the three surviving Commissioners of the Social Security Administration, have come to the defense of the program. The latter all joined together in a White Paper which said these recent attacks were a "disservice to the nation."

Medicare

The argument is often made that increases in health costs do not affect the elderly since they are protected by Medicare. This is not the case. The Medicare program does substantially reduce the cost burden of medical care for older people. However, as a result of the combination of rapidly rising prices, increases in premium and deductible amounts, and the decline in the use of the assignment method under which doctors charge no more than Medicare allows, the protections of the law have been seriously eroded. These factors and the exclusion of important health services such as prescription drugs, eye care and long-term care result in the program meeting less than half the health cost burden on the older population.

In spite of the program's limitation in covering health costs, the Administration has proposed cutbacks in the program which would place an even greater burden on older people. Fortunately, the Congress has refused to enact these proposals.

The problems that have plagued the nation's health system have affected Medicare as well. The experience with the Medicare program clearly demonstrates the difficulty of trying to deal adequately with the health problems of a limited population group. Only a National Health Security program for all Americans can both reform the nation's outmoded health care system and provide fully adequate care for older people. Until enactment of Health Security, substantial improvements should be made in Medicare as a step forward toward that objective.

Supplemental Security Income

In January 1974 the new Supplemental Security Income (SSI) program began operation. This program replaced the old federal-state categorical programs for the aged, blind and the permanently and totally disabled and set nationwide eligibility standards and minimum benefit amounts. Other forms of income

such as dividends, interest, pension and Social Security benefits are subtracted from the federal minimum and any deficiency is covered by the SSI payment funded from general revenues.

The Social Security Administration administers SSI, but there is no intent to merge the two programs and each will maintain its own identity. Though representing major progress, the monthly SSI federal benefit floor is still inadequate—only $157.70 for an individual and $236.50 for a couple.

Older Workers and Unemployment

The problem of discrimination against older Americans in the job market has been greatly intensified by the high rate of unemployment. Seniority provisions of collectively-bargained agreements provide greater protection for older workers in time of layoffs, but once laid off the older worker faces extreme difficulty in finding employment. Men and women of excellent mental and physical capabilities are effectively forced out the labor market long before they are eligible for Social Security benefits because they are considered too old to compete in a youth-oriented business world. They exist in an economic no-man's land—too old to work but too young to retire.

No age group should bear the burden of unemployment. The only real solution is jobs for all who want and need them. Until the goal of full employment is achieved, America's social insurance programs, including Social Security, must make adaptations to better resolve this growing social problem.

Council Recommendation

In 1976, the United States will commemorate the 200th anniversity of its birth. In these 200 years, this nation has created a vast and complex economy, made momentous discoveries in science and technology and developed a democratic universal educational system open to all. Yet its treatment of the aged, sick and poor falls far short of what other less affluent and less educated nations are doing for their citizens. America has the wealth, the institutions and the competence. All that is lacking is the will to act.

To place this nation in the first ranks of leadership in social insurance protections for its citizens, the AFL-CIO recommends the following far-reaching reforms in the Social Security program.

Cost of Living Escalator

Galloping inflation has had a disastrous impact on the living standards of Social Security beneficiaries. The present cost-of-living escalator providing for annual increases was based on the assumption that price increases would be moderate and skyrocketing prices were not anticipated. More rapid adjustment of

benefits is needed to keep up with rising prices. Therefore, benefits should be adjusted for the rise in living costs at least every six months whenever the Consumer Price Index increases by 3 percent or more.

One major handicap in the effort to fight inflation among Social Security beneficiaries is the lack of a budget that accurately measures the impact of inflation on them. While the present Consumer Price Index best applies to workers and should be continued, a special Consumer Price Index should be devised for the elderly which would better reflect the cost increases in the items that make up their typical budget.

Sex Discrimination

The same legal rights in all respects should flow from a worker's wage record regardless of whether that worker is male or female. Therefore, all differences in the benefit treatment of men and women should be removed from the law, thereby improving the benefit protection for married women who work and the treatment of couples where both work.

Retirement Age

The impact of automation and unemployment have created serious problems for elderly workers who are not yet 65 and therefore not eligible for full Social Security benefits. A number of changes should be made in the Social Security Act to more effectively meet the interrelated problems of old age, disability and unemployment.

1. The Social Security Act should be amended to include an occupational definition of disability for older workers so that any disabled worker after 50 or 55 who is unable to handle his usual occupation would be entitled to Social Security disability benefits.

2. Because of unemployment and the low wage base in earlier years, most workers retire on low Social Security benefits not adequately related to wages at the time of retirement. At present, workers can drop out only five years of low or no earnings in computing their average wage on which their benefits are based. The number of drop-out years of low or no earnings in computing the average wage base should be increased as a first step toward a benefit formula based on a worker's high 5 or 10 years of earnings.

3. A serious problem has been the low, actuarially reduced benefits of those who are forced to retire before age 65. Retirement before age 65 is possible but only with a severe actuarial reduction. The law should permit retirement between 60 and 65 with less than a full actuarial reduction in benefits.

4. In addition to lowering the retirement age in this manner, there is a dire need for economic protection for older workers before eligibility for retirement benefits in case of persistent unemployment. Workers who are unemployed for two full years

after age 55 should be entitled to Social Security benefits on the same basis as if they had reached the minimum age of eligibility for retirement benefits.

Temporary Total Disability

Social Security disability benefits are not paid unless an individual is totally disabled for at least six months and unless he or she meets the excessively stringent definition that the disability is totally incapacitating and will last at least 12 months or is expected to result in death.

This means that many workers are incapacitated for months without either regular income or benefits. The economic impact on the family can be catastrophic, causing deprivation that may last years beyond the date of recovery of the breadwinner.

The Social Security Act should be amended so that benefits will be paid for total disability that lasts longer than one month without regard to its subsequent expected duration. This coverage should apply equally to working women who must cease work temporarily before and after pregnancy.

Medicare

Pending enactment of National Health Security, the Medicare program should be expanded to provide older people greater protection for health costs. Among the needed improvements are:

1. Elimination of the monthly premium beneficiaries must pay for Part B (physician services) of Medicare.
2. Coverage of prescription drugs.
3. Reduction or elimination of the requirement that a disabled beneficiary must receive cash benefits for two years as a condition for eligibility for Medicare coverage.
4. Coverage for all Social Security beneficiaries before age 65 who retire or are forced out of the labor market because of unemployment.
5. Enactment of a long-term care program for Social Security beneficiaries without means or income tests as part of either Medicare or a national health program.

Financing

Though the worker receives an economic bargain in terms of benefits received for contributions paid, the Social Security tax has become a burden for many workers. Since the contribution rate is uniform for all salary levels and exempts higher levels of income, considered solely as a tax it is regressive. The Social Security tax should not go higher. Instead, future Social Security improvements should be financed by increases in the earnings base and by a gradually increasing general revenue contribution.

We affirm the position taken in the Executive Council statement of February 1975 that the Social Security tax should be applied to the total payroll of employers and that a new benefit formula should be adopted which would better reflect wages earned at the time of retirement.

Supplemental Security Income (SSI)

The Supplemental Security Income program has serious deficiencies which must be corrected. Benefit levels are too low so that recipients are unable to live decently on them. The goal should be to guarantee these deprived Americans a SSI benefit sufficient to lift them from poverty.

The problem of inadequate benefits is compounded since SSI beneficiaries often lose their eligibility for other public benefits, such as food stamps and Medicaid, when their income rises due to cost of living or Social Security increases. Congress should enact a "pass-through" provision to meet this problem.

Similarly, states that supplement federal SSI payments should not be allowed to decrease their supplements by the dollar amount of federal increases. These states should be required to "pass-through" federal SSI increases and any resulting additional costs incurred by a state should be shared by the federal government.

Independent Social Security Agency

We affirm the position taken in the Executive Council statement of Aug. 6, 1974 that the Social Security Administration should be an independent, nonpolitical agency. It should be under the direction of a five-member governing board, including duly designated representatives of management and labor, appointed by the President with the advice and consent of the Senate and with no more than three members from any one political party. At the same time, in order to strengthen public confidence in the program, the Social Security trust funds should be excluded from the unified budget.

Railroad Retirement and Unemployment Insurance Acts

On October 16, 1974, Congress overrode the President's veto of HR 15301 (now P.L. 93-445), the Railroad Retirement Act of 1974, a bill to restructure the Railroad Retirement System which was based on proposals made jointly by railroad management and labor. This law embodies far-reaching changes which are mainly directed toward relieving the difficult financial situation of the Railroad Retirement System.

The new law restructures Railroad Retirement into a two-tier benefit system which is very closely coordinated with the Social Security program.

Council Recommendation

The AFL-CIO welcomes the changes in the Railroad Retirement System which resolved a long-standing problem of vital concern to railroad unions and their membership. This successful effort now makes it possible to turn to other pressing problems faced by railroad workers which had to be given lessor priority in the fight to place the financing of the Railroad Retirement System on a sound basis.

There is now an urgent need to update the provisions of the Railroad Unemployment Insurance Act. For example, the maximum unemployment benefit established in 1968 is only $12.70 per day. This is, in effect, a flat benefit since more than 95 percent of unemployed railroad workers qualify for the maximum benefit—a benefit well below the official poverty level for a worker with a family. This is a hopelessly inadequate figure.

The AFL-CIO calls for comprehensive reforms in the Railroad Unemployment Insurance Act and and urges Congress to act favorably as soon as possible on the recommendations made by the railroad unions.

Older and Retired Workers

Today there are some 21 million people in this country who are over 65 and another 18 million between 55 and 64 years of age. In fact, the number of senior citizens over 65 exceeds the combined population of the 20 smallest states. Unfortunately, though life expectancy is increasing, to most of the elderly these added years are often bitter and meaningless.

Many workers enter retirement unprepared for the changes that they will face in this new phase of their lives. They must somehow manage on reduced incomes, try to maintain their health, profitably use their leisure time and strive against odds to continue to be useful and productive citizens. Similarly, older workers face severe problems in the later years before retirement. They often are at a disadvantage with respect to younger workers and face greater difficulties in finding a job during periods of unemployment.

Large numbers of the aged would like to work and are capable of working. Forced retirement often results in a waste of skills and knowledge accumulated over many years of experience. Organized labor has opposed and will continue to oppose unilateral imposition of compulsory retirement by employers.

Council Recommendation

There is a need to tap the reservoir of talent, experience and the mental and physical energy that abounds among this nation's senior citizens. This is best accomplished by effective retiree organizations. Greater organization of retirees could make a

significant contribution to achieving the goals of organized labor, not just for the elderly but for the entire nation.

To further this effort, the AFL-CIO has supported the National Council of Senior Citizens. This organization has worked closely with organized labor in behalf of social programs of benefit to the elderly and for the welfare of all Americans, young and old alike.

The AFL-CIO urges all affiliated unions, locals and state and local central bodies to undertake and support programs to do the following:

- Establish active retired members clubs and affiliate them with the National Council of Senior Citizens.
- Give serious consideration to designating at least one person, preferably on a full-time basis, to work on retiree activities and act as labor liaison with the National Council of Senior Citizens.
- Undertake pre-retirement planning courses that will better enable the workers to plan for retirement during their working years.
- Work for retiree centers to help meet the needs of older people for education activities and social relationships.
- Support national, state and local programs for opportunities for creative service to the community and nation and for political education and participation.

Public Welfare and Social Services

Welfare

Most Americans have suffered serious adverse effects from the worst economic mess since the 1930s—prolonged, high unemployment and double-digit inflation. None have suffered more than the nation's poor.

The nation's welfare program helps less than half of the 23 million Americans who live in poverty. It is grossly inadequate. Average payments are less than half the poverty level, and, as the costs of food, clothing and shelter continue to soar, the gap between welfare payments and a decent standard of living has widened. State attempts to narrow this growing disparity have been far too little.

The deficiencies of public welfare will plague many more Americans as millions of workers exhaust their unemployment insurance benefits and must turn to welfare. Many of those currently standing in line at the unemployment insurance offices will be joining those in line at the welfare office. To many of them, there is a stigma to welfare not associated with unemployment insurance. Yet the Administration continues its double-barreled policies of disaster which increase the number of people in need while cutting back on the programs to help them.

The AFL-CIO has been waging a vigorous battle against the Administration's reckless, incessant attacks on programs to help the poor. These callous Administration efforts include an all-out attempt to cut back on food stamps for the hungry, preventing large numbers of the working poor and welfare recipients from obtaining badly-needed social services, eliminating long-standing civil rights and protections of individuals applying for or receiving public assistance, and prohibiting welfare payments to needy children if the family breadwinner is out of work due to a labor dispute.

Council Recommendation

The AFL-CIO must—and will—continue its battle against inhumane attempts to slash social programs at the expense of the most needy.

We will oppose any legislation euphemistically and erroneously called "welfare reform," such as the bill recently introduced by conservatives in both Houses. This phony "reform" would cut welfare programs by $1.8 billion by harassing mothers of dependent children off welfare rolls, prohibiting payments to persons in need because of participation in a labor dispute, and forcing welfare recipients to "earn" their welfare checks at make-work jobs paying substandard wages.

Genuine welfare reform requires broad public service employment and training programs, modernizing unemployment insurance, as well as strengthening the welfare program for those who are unable to work.

We, therefore, affirm the AFL-CIO Executive Council statement of Feb. 17, 1975 which urges Congress to begin the long-overdue task of reforming the nation's welfare system, by:

1—Adopting a legislatively-mandated national commitment to a full employment policy, including a permanent public service employment program to provide jobs at decent wages for those who cannot find work.

2—Strengthening and improving the unemployment insurance system to meet the needs of unemployed workers, including new entrants as well as workers reentering the workforce, who are now forced to resort to welfare.

3—Restoring the welfare program to its residual function and strengthening it so that it can meet the needs of those it was intended to serve. With the new Supplementary Security Income program, the federal government took over responsibility for assistance to the needy elderly, blind and disabled. The federal government should also assume responsibility for the welfare of all the rest of the needy, including families with dependent children, childless couples and individuals. This new federal program should contain the following elements.

- A national minimum payment, raised as quickly as possible

by stages to not less than the poverty level. States with benefits above the national minimum should be required to maintain present payment levels. Payments should be pegged to the cost of living, like Social Security and SSI. Until these changes in the welfare program are made, families with needy unemployed fathers should be eligible for welfare in every state.

- The job rights and employment conditions of state and local employees who presently administer welfare must be protected when the federal government takes over the program.
- During the present economic emergency the federal government should bear the increased costs of welfare. Obviously, financially hard-pressed states and cities cannot bear the additional burden.

Welfare must meet the needs of those who cannot or should not be expected to work. They, like all Americans, have a right to a decent life. Speedy congressional action on genuine welfare reform is vital to lift those who depend on welfare out of a life of poverty and deprivation.

Social Services

The most intense of the Administration's various attacks on social programs within the past two years has been that waged against the largest and most diverse of the social services programs. Title IV-A of the Social Security Act (which has now been replaced by Title XX) was originally intended to provide a wide variety of support services to the poor in order to both reduce dependency and strengthen family life.

Title IV-A became the largest source of funding for programs that help families and children. It includes such essential programs as day care, rehabilitation for alcoholics and drug addicts, foster care, meals-on-wheels that help aged couples stay in their own homes and out of institutions, neighborhood-based delinquency programs, and a host of other programs designed to make the poor and elderly more self-reliant and their lives more tolerable.

In February 1973, the Department of Health, Education and Welfare issued the first of several sets of regulations designed to severely restrict spending under Title IV-A. The struggle to prevent this move lasted 22 months, and involved the Congress, HEW and many interest groups, including the AFL-CIO.

The struggle culminated in the passage of Public Law 93-647 which became Title XX of the Social Security Act. The law and the proposed regulations contain both bad and good features. They respond to the pressure to open the process of delivery of human services to public reporting and begin to broaden the base of coverage. But, at the same time, they retain some of the worst elements of revenue sharing and of the most restrictive categorical programs.

Council Recommendation

The AFL-CIO will continue its efforts to rationalize and strengthen all social service programs. The poor, because they are poor, often need special programs to alleviate their suffering. But we also recognize that social services of various kinds are needed at times by Americans from all socio-economic backgrounds.

We reject the proposition that federal involvement in service programs should be for the sole purpose of reducing the welfare rolls. Many families and individuals experience tragedies totally unrelated to their income capacity—child abuse, alcoholism, mental and physical disabilities, to name a few. And services must be universally available to people on the basis of their need for services and not on their income.

We support the provisions in the recently enacted Title XX of the Social Security Act which make the delivery of human services publicly accountable and urge that the process of substantive citizen involvement in the state planning process be encouraged.

We will oppose all restrictive regulations designed to cut authorized spending for social services while leaving unmet the urgent human needs the law was designed to meet.

We support the concept, implicit in Title XX, of moving toward the provision of services without regard to welfare status. States are allowed, but not required, to provide free services for low-income working people who make up to 80 percent of the state's median income. Many states will exercise their option to charge fees low-income workers cannot pay. Low-income workers —as well as families and individuals on welfare—must not be discouraged from seeking badly-needed services because they are unable to pay for them.

The $2.5 billion ceiling on Title XX expenditures is insufficient because of the broadened eligibility base, as well as the increased need growing out of economic conditions. Thirteen of the largest states are currently spending their total allocation on the welfare-related population. Additional money must be immediately made available so these states may respond to the needs of the newly-eligible working poor.

We urge the Congress to raise the present $2.5 billion ceiling on Title XX to begin to make available essential social services for all Americans who need them.

Child Care

The unmet need for child care programs has increased dramatically since the last AFL-CIO convention. There are now 26 million children—six million under six years of age—whose mothers are working. Five million children live in single-parent

homes where the parent is in the labor force and, therefore, out of the home.

During this time of massive, long-duration unemployment and relentless inflation, the family's real dollar earnings shrink. As husbands become unemployed or forced to work shorter hours, wives seek to replace the lost income. But to work, they must find decent care for their children.

More mothers are constantly entering the labor force, and many more need and want work. But lack of adequate child care poses a major problem to all of them. In addition, millions of disadvantaged children, whose mothers are home, could benefit from child care services. Five million children under six years of age are in poor and near-poor families many of whom need quality child care services.

Inadequate child care affects all women—poor, lower-middle class, middle-class and upper-class. In increasing numbers, they must work. But only a few are able to get good licensed care for their children which meets federal standards. The rest face the never-ending nightmare of making arrangements with a changing group of sitters or relatives, or leaving their children in custodial parking lots, or worst of all, leaving children alone in "self-care."

The Administration response has been to cut back on day care provided under the social services program and to restrict needed funds, thus lowering the quality of care provided in the few remaining programs. The AFL-CIO has continued to oppose cut-backs in programs or erosion of the quality of care.

Council Recommendation

Large and growing numbers of working women are being forced to leave their children without the care they need. Other mothers, including many on public assistance, want to work but cannot find adequate child care. Some local programs, including a number of excellent centers operated by AFL-CIO affiliates, have begun operations with laudable success, but those are far from enough to meet the needs.

Therefore, we affirm the May 6, 1975 call of the AFL-CIO Executive Council for a massive federal commitment to providing early childhood development and day care in communities throughout the country for all children who need these services. Congress should enact legislation that includes the following elements:

1. Achievement as rapidly as possible of the goal of free, high-quality, comprehensive early childhood education and child care services for all children who need them. Since the program will necessarily require a period of time to get fully underway, gradually increased funds should be provided toward earliest achievement of this goal.

2. Coordination by the prime sponsor of a range of programs

including health, nutrition, education, counseling and other support services necessary for quality child development programs in a variety of settings, including family and group day care homes.

3. Use of the public school systems as the presumed prime sponsors, wherever they are prepared to undertake quality programs meeting federal requirements.

4. Insistence that all services meet federal requirements and standards as well as all local school and facility codes and laws.

5. Denying profit-making operators eligibility to receive federal funds.

6. Declare existing public and private non-profit programs that meet federal requirements eligible to receive funds.

7. Provide for effective parent involvement in these programs, since they are programs parents voluntarily choose.

8. Require that all construction, renovation and repair undertaken under the program must conform to the prevailing wage standards of the Davis-Bacon Act.

9. Provide for training, re-training and in-service training of professional and paraprofessional staff.

10. Provide full protection of the job rights and employment conditions of workers in child care programs.

Unemployment Insurance

During the first half of 1975 when the jobless rate approached double digits, the fact that America's outmoded and fragmented unemployment insurance system falls far short of meeting the nation's needs was never more apparent.

Even in the present recession, half of the jobless receive no benefits from the basic unemployment insurance program. And for those who receive benefits, an average of only 40 percent of lost wages are replaced by benefits.

The Emergency Jobs and Unemployment Assistance Act of 1974 provided for a one-year, federally-financed, stop-gap coverage for the 12 million workers excluded from unemployment insurance protection but only for benefits up to 26 weeks.

A series of emergency measures temporarily extended the maximum duration for regularly-covered workers, most recently to 65 weeks. But those are just stop-gap measures. Further, new entrants and re-entrants into the labor force are entirely unprotected.

Benefits of at least two-thirds of former weekly wages are essential for jobless workers to meet essential nondeferrable expenses, but most workers do not get even 50 percent of their previous earnings. Unemployment insurance benefits are so low in most states that the maximum weekly benefit payable in 39 states is below the poverty level.

In many states qualifying requirements are so restrictive that many jobless workers are denied any benefits. Organized labor has insisted that any worker with 20 weeks of work should qualify for 26 weeks of benefits.

Even in good times, the overwhelming number of jobless workers are unemployed through no fault of their own. In the present recession, that is even more true. Yet, responding to employer pressures for ever-lower tax rates, states have enacted disqualifications which are arbitrary and capricious without any relationship to the unemployed worker's willingness to work if a job were available. The result is that more than 2½ million jobless workers are annually disqualified.

Extended benefits under unemployment insurance have been such a disaster that Congress has had to tinker with this program more than ten times in the past five years. The complicated arbitrary trigger approach to extended benefits in the current law is based on the false premise that long-term unemployment is confined to recession periods. Actually many workers suffer lengthy joblessness even during prosperity.

Unemployment insurance should provide income to a worker who can't get a job when regular benefits are exhausted, whether or not national, state or area unemployment is high or rising. Workers will regain work sooner if extended benefits are coordinated with a comprehensive program of job counseling, training and retraining, upgrading of skills, rehabilitation services, voluntary relocation assistance and job placement.

Erosion of the taxable wage base and application of experience-rating have resulted in serious deficiencies in the financing of the system. According to the Labor Department, unemployment insurance reserve funds in April 1975 were below the minimum level of adequacy in 33 states and at least 20 were expected to deplete their reserves before the end of the year. This was not surprising since the average employer tax rate in 1973 was only 1 percent of total payrolls and applied to a wage base less than half of total payrolls.

These and other glaring deficiencies in the program must be corrected. The nation can no longer tolerate the piecemeal, inadequate state-by-state efforts to modernize unemployment insurance of the past 37 years. AFL-CIO state bodies have labored tirelessly to improve the state laws, but only effective and vigorous federal action will make unemployment insurance what it was meant to be—the nation's first line of defense against poverty and recession.

Council Recommendation

Millions of jobless workers in the current recession have found the nation's fragmented unemployment insurance system woefully inadequate to meet their needs.

• Millions of workers are not covered at all, except temporarily on a stop-gap basis under hastily-enacted legislation.

• Additional millions who expected to be eligible have been disqualified from benefits by harsh and capricious state laws and regulations.

• Extended benefits, though available now, would expire at lower overall unemployment rates, leaving the long-term jobless, most of whom would not be eligible for welfare, with no income whatsoever.

• Employer tax payments are so pitifully low that state unemployment insurance funds will require more federal bail-outs or jobless workers will be deprived of benefits altogether.

The AFL-CIO has long supported federalization of the unemployment insurance program with full protection of the job rights and employment conditions of all state employees who presently administer the program. Until that goal is achieved, we favor enactment of federal minimum standards for eligibility, benefit amounts, benefit duration, disqualifications and other essential features of the program.

Therefore, the AFL-CIO calls upon the Congress to promptly enact legislation which will:

1—Extend coverage to all wage and salary workers on a permanent basis. We also call for appropriate action to give some form of unemployment insurance protection to new entrants and reentrants into the labor force.

2—Establish minimum federal benefit standards of at least 66⅔ percent of the worker's weekly wage (or the equivalent) up to no less than 75 percent of the state average weekly wage. Dependent allowances may supplement, but not substitute for, the minimum basic benefit.

3—Provide for regular benefit duration requiring not more than 20 weeks of work for at least 26 weeks of benefits.

4—Establish a maximum disqualification period of six weeks. We reaffirm our opposition to disqualification of participants in labor disputes. If such unjust disqualifications are imposed over our opposition, we insist they be limited to a maximum of six weeks.

5—Prohibit any reduction or cancellation of a worker's benefit rights or base-period wages.

6—Abolish the existing triggered extended unemployment compensation program. Until economic prosperity is restored, all jobless workers, including those temporarily covered under Special Unemployment Assistance, should be eligible for at least 65 weeks of benefits. In permanent legislation, federally-financed extended benefits of at least 26 weeks should be available to all workers who exhaust their regular benefits. Extended benefits should be coordinated with a comprehensive program of job counseling, training and retraining, upgrading of skills, rehabili-

tation services if needed, voluntary relocation assistance and job placement.

7—Restore the financial solvency of the system by:

- Raising the taxable wage base immediately to the state average wage and, in steps, to the OASDHI (Social Security) level.
- Setting a minimum standard of adequacy that state reserve funds would be required to meet and maintain.
- Eliminating experience-rating altogether or, at the very least, reducing the minimum range between maximum and minimum tax rates, prohibiting zero rates and permitting states, when appropriate, to reduce tax rates for all employers on a basis other than experience-rating.
- Encourage states to eliminate the waiting week by requiring it be compensated retroactively after a few weeks of unemployment.
- Guarantee unemployment insurance recipients the right to a hearing before benefits are cut off. The U.S. Supreme Court has already established this right for welfare recipients.

The glaring defects in the present inadequate and fragmented system of unemployment insurance must be corrected immediately with permanent improvements in the program so that unemployment insurance can truly meet the needs of all jobless workers and thus contribute to the welfare of the entire nation.

Workers' Compensation

Widespread interest and support were aroused by the introduction of workers' compensation bills to establish minimum federal standards for state workers' compensation programs during 1974 and 1975. In 1974, bills were introduced by Senators Harrison A. Williams, Jr. (D-N.J.) and Jacob K. Javits (R-N.Y.) in the Senate and in the House by Representatives Carl D. Perkins (D-Ky.) and Dominick V. Daniels (D-N.J.). These bills reflected the AFL-CIO's long-standing goal to establish federal responsibility for income maintenance, medical care and rehabilitation of workers injured on the job.

The Senate Subcommittee on Labor devoted a great deal of time to this legislation during 1974. Regional hearings were held in six cities, and hearings in the nation's capital were held on two separate occasions. Unfortunately, Congress was not able to act on this legislation prior to the adjournment for the congressional election in the Fall of 1974.

The great interest in these bills clearly refuted the claims of opponents that there was no significant support for federal legislation. These expressions of support resulted in the reintroduction of almost identical bills in the new Congress.

These bills would require the states to correct deficiencies in state laws long criticized by the AFL-CIO. Among the major standards of the bills are: compulsory coverage, full coverage of occupational disease, full medical care and rehabilitation, adequate weekly benefit amounts, removal of arbitrary limits on benefits in permanent total disability and death cases, free choice of qualified doctor, state agency supervision of medical care, adequate time limits for filing claims, and reasonable restraints on lump sum settlements.

Favorable prospects for federal legislation have enabled a number of states to improve their laws to a greater degree than in the past because many insurance carriers and employers, fearing federal legislation, have lessened their opposition to improvements in state laws. But the AFL-CIO will not be deterred in its efforts to secure federal standards by exaggerated claims regarding the progress states are making. The facts indicate otherwise.

In most states, the maximum weekly benefit does not replace two-thirds of lost wages for a majority of workers—the traditional standard recognized since the first workers' compensation laws were passed more than 60 years ago. In fact, since 1940, the ratio of maximum workers' compensation benefits to state average weekly wages has declined in the overwhelming majority of states. Today, a majority of states have maximum weekly benefits below poverty levels for a worker with a family.

Inadequate benefits are only part of the problem. Among the other many serious defects in state laws are:

- 5 lack compulsory coverage for all wage and salary workers.
- 15 exempt small employers.
- 35 do not cover agricultural workers to the same extent as other workers.
- 5 fail to provide full coverage of occupational diseases.
- 8 do not require full medical care.
- 25 lack an adequate time limit for filing occupational disease claims.
- 24 do not provide death benefits to widows for the full period of widowhood.
- 14 fail to provide benefits to permanently and totally disabled workers for the full duration of their disability.

Council Recommendation

Progress in workers' compensation still badly lags behind the nation's economic and industrial development. Work injury and disease is a national problem and requires a national solution.

The AFL-CIO has long been convinced that the most effective way of meeting these problems would be through the establishment of a federalized system of workers' compensation with full protection of the job rights and employment conditions of all employees who presently administer the program.

Until such a system is established, the AFL-CIO pledges its support to enactment of federal legislation to establish minimum standards for workers' compensation. As a major step toward achieving AFL-CIO goals for workers' compensation, we urge passage of bills sponsored by Sens. Harrison A. Williams, Jr. (D-N.J.) and Jacob K. Javits (R-N.Y.) in the Senate and by Reps. Carl D. Perkins (D-Ky.) and Dominick V. Daniels (D-N.J.) in the House. These bills would require the following substantial improvements in state workers' compensation laws long sought by organized labor:

- Compulsory coverage with no numerical exemptions.
- Coverage of agricultural workers in the same manner as other employees.
- Weekly benefits of not less than two-thirds of the injured worker's average weekly wage.
- Reciprocity of benefit rights between jurisdictions.
- Full statutory coverage of all occupational diseases.
- Time limits within which an employee must file a claim for occupational disease should be at least one year after the date when employee has knowledge of the nature of his disability and its relation to his job and until after disablement.
- Coverage of diseases caused by ionizing radiation.
- Full medical benefits for job-incurred personal injuries and occupational diseases.
- Full compensation protection under second injury funds.
- Free choice of qualified physician by injured worker.
- The workers' compensation agency to have the authority to supervise and control medical care of injured workers.
- The workers' compensation agency to include a rehabilitation division which should promote full utilization and development of rehabilitation facilities for the benefit of injured workers.
- Administration under a state agency rather than by the courts.
- Benefits for the totally disabled for the period of disability.
- In case of death, benefits to be paid to the widow until her death or remarriage, and to children at least during their minority, and to other dependents during the period of their inability of self-support.
- Prohibition of special contracts with employers whereby a worker with a specific physical defect waives his or her right to compensation in the event of a subsequent injury.
- Prohibition of lump-sum settlements and compromise of rights to full medical care under compromise-and-release settlements unless the workers' compensation agency approves such a settlement on the advice of the appropriate state rehabilitation unit or agency.

The AFL-CIO favors immediate action by Congress to establish these federal workers' compensation standards. But until

successful passage of this legislation, every AFL-CIO affiliated organization should make even greater efforts to secure the same standards in state workers' compensation programs.

Health Legislation

Despite the urgent need for improving health care in America, the Nixon and Ford Administrations have been making every effort to cut back on needed health programs. As a result, AFL-CIO efforts have been mainly aimed at existing health legislation, urging Congress to override presidential vetoes, and countering Administration efforts to cripple existing health programs through budget cuts or impoundments of appropriated funds.

Major Administration efforts to abolish many health programs came in the 93rd Congress and are discussed in National Legislation (see: Health Legislation). When it failed, the Administration used its fiscal 1975-76 budget to emasculate the program by drastically cutting back on funds for health services, including maternal and child health, and by placing greater reliance on Medicare and Medicaid while, at the same time, curtailing both of these programs.

Though paying lip-service to the Health Maintenance Organization Act of 1973, the Administration's fiscal 1976 budget includes only a paltry $19 million for HMO development—56 percent under the amount actually obligated in fiscal 1975.

Institutional and non-institutional long-term care is woefully inadequate. A program to provide long-term institutional care in both intermediate and skilled nursing homes for incapacitated individuals would be one approach. For the handicapped, however, who do not need or want institutional care, comprehensive home care would be less expensive. Such a program should include homemaker and home health services, home maintenance, laundry services, meals-on-wheels and other nutritional services and assistance with transportation and shopping.

Council Recommendation

This Administration is engaged in a concerted effort to abolish, curtail or reduce funding for essential national health programs. Health services for the poor would be seriously crippled by proposed budget cuts.

The hope that the Health Maintenance Organization Act of 1973 would provide the needed leverage to reform the fee-for-service health care system is hampered by defects in the law and inadequate funding.

Failure to provide long-term care for persons who cannot care for themselves is a serious gap in governmental and private health care benefit programs.

Early enactment of the Health Security bill would largely take care of America's health problems. But until Health Security is enacted, the AFL-CIO will oppose all efforts to abolish or curtail necessary existing health programs.

We also call upon Congress to fully fund all health programs to the maximum authorized by law. The AFL-CIO further pledges its support for amendments to the HMO Act to make the law more workable. Additionally, we will actively support legislation to provide long-term care for the elderly as well as for handicapped persons no longer able to work.

The AFL-CIO will continue to support federal legislation designed to increase and improve medical manpower, to bring about a better geographic and specialty distribution of physicians, to improve the quality of health services, to bring about a more rational organization of medical care services, to establish effective controls on the cost of medical care and to distribute the cost of quality care more adequately through the whole population.

National Health Security

America needs the Health Security program, the only national health insurance proposal which is based on social insurance principles and provides comprehensive care for all Americans.

An improved National Health Security bill (HR 21 and S 3) was introduced in the present Congress with Rep. James Corman (D-Calif.) and Sen. Edward Kennedy (D-Mass.) as principal sponsors. It is the best national health insurance proposal before the Congress.

The American Medical Association, the Health Insurance Association of America and the Administration have agreed on a so-called "national health insurance" approach relying on private insurance for financing and administration, large deductible and coinsurance payments by patients, a means test for the poor and near poor and no effective cost and quality controls. Their proposals are based on the Comprehensive Health Insurance Plan (CHIP) proposed last year by President Nixon and endorsed by President Ford. Since the AMA has withdrawn support for its own Medicredit plan, there is a polarization around two approaches to national health insurance: CHIP and Health Security.

Despite President Ford's endorsement of CHIP, he has threatened to veto any national health insurance legislation in 1975 because of economic conditions.

Council Recommendation

The Congress must ignore President Ford's threat to veto national health insurance and take immediate action on this vital legislation. The health of the American people is just too important for further delay.

National health insurance was a major issue in the 1974 elections. A majority of the members of Congress promised their constituents they would seek early action on national health insurance. We expect they will keep their pledge.

We reject the claims of the Administration that social progress must be postponed in times of economic difficulty. Millions of Americans cannot obtain or afford medical care. They need help as soon as possible.

Therefore, the AFL-CIO reaffirms its wholehearted support of the National Health Security program introduced in the Congress as HR21 in the House by Rep. James Corman and as S3 in the Senate by Sen. Edward Kennedy. It is the only program which would assure to all Americans the right to quality health care all can afford. And we urge immediate congressional action on it.

If the Congress acts and the President carries out his veto threat, we pledge to take our case to the people in every state and every congressional district.

We will continue to work closely with the Committee for National Health Insurance and its action arm, the Health Security Action Council, to develop Health Security Action Committees in every state and every congressional district in order to maximize grass roots pressure for enactment of National Health Security.

Medical Malpractice Insurance

The cost of medical malpractice insurance has skyrocketed. Doctors in some states have experienced premium increases ranging from 100 to 600 percent. Hospitals have reported premium increases of as much as 1,000 percent. Medical malpractice insurance premiums have risen from a total of $61 million in 1960 to $1 billion in 1975. Of this, only 16 to 17 percent actually goes to the medically-insured patient or survivor. More than 80 percent of the premium dollar goes for the costs of reaching settlements, court costs, legal fees and the administrative costs of selling malpractice insurance to physicians, hospitals and other providers.

Not only do patients receive only a small part of the premium dollar in medical injury settlements, but, in effect, they also pay the malpractice insurance premiums. Providers pass on the cost of malpractice insurance to their patients in the form of higher fees and hospital charges. In one way or another, workers and their families ultimately pay malpractice insurance premiums.

The cost of malpractice insurance has risen so fast that insurance companies are now refusing to underwrite the risk.

The billion dollars in malpractice insurance premiums is really only a small part of the total additional cost of medical care that consumers must pay. Fear of malpractice suits causes doctors to practice defensive medicine—that is, to provide extra services

not required for adequate medical care. This involves a cost of from $6 to $8 billion over and above the premium payments to insurance companies.

The causes of the skyrocketing escalation of direct and indirect cost for medical malpractice insurance include:

- Deterioration of the doctor-patient relationship.
- Million-dollar-plus settlements.
- The contingency fee system of payments to trial lawyers.
- The high cost of litigation under tort law.

The law of torts is an inefficient and costly method of resolving medical malpractice claims and is highly inequitable. It is true that a few patients have been awarded a million dollars or more in damages, but the great majority of patients suffering medical injury receive no compensation at all. Moreover, patients who do eventually win their claims may have to wait as long as 10 years to receive an award for medical injury.

At the May 1975 meeting of the AFL-CIO Executive Council, the Council adopted a statement on medical malpractice insurance which called on Congress to enact a federal program to provide impartial arbitration of malpractice claims combined with no-fault awards to the patient who was medically injured.

Council Recommendation

The soaring cost of medical malpractice insurance results in billions of dollars of direct and indirect medical costs. These skyrocketing costs are reflected in higher doctor fees and hospital charges which the patient must pay.

We, therefore, affirm the action taken by the Executive Council on May 6, 1975 which calls for a national system of arbitration of malpractice claims and no-fault awards. Such a system would provide less costly malpractice insurance and improve the quality of medical care.

Collective Bargaining and Health

Rapid escalation of medical care costs has forced many unions to direct more money from collective bargaining packages just to maintain current health benefit levels.

Nevertheless, health benefits continue to be improved. Improvements take such forms as expansion of hospitalization coverage, full payment up to "usual customary" fee levels for medical and surgical bills, higher levels of major medical or catastrophic insurance coverage, as well as expanded benefits for preventive, psychiatric, dental and optical care and prescription drugs.

However, the inequities in private voluntary health insurance are more and more apparent. Some unions have very compre-

hensive programs. Others, especially in industries characterized by small firms, have limited hospital-surgical coverage.

Private health insurance has proven unable or unwilling to control health care costs. Physicians and hospitals have a virtually open-ended claim on third-party payments, including Medicare and Medicaid as well as private health insurance.

Prepaid group practice plans have a much better record of containing health care costs. The Health Maintenance Organization Act of 1973 provides federal funds for feasibility studies, planning and development of prepaid group practice plans as well as other forms of HMOs.

Council Recommendation

The escalation of medical care costs and the failure of private health insurance to control costs have encouraged increasing numbers of unions to turn to prepaid group practice plans which have controlled costs better and provided better care than the fee-for-service system.

Therefore, the AFL-CIO recommends that all affiliated unions should continue to expand health and welfare coverages until a universal and comprehensive Health Security program is enacted. We urge our central bodies to organize, wherever possible, health committees with representatives from health and welfare plans to explore with other consumer and community groups the feasibility of organizing nonprofit, prepaid group practice plans utilizing federal funds for feasibility studies under the Health Maintenance Organizations Act of 1973.

The AFL-CIO urges all international unions and all health and welfare funds to include a dual choice option in their collective bargaining programs for health insurance benefits so that every union member may have the opportunity to join a nonprofit, prepaid group practice plan.

Health Insurance for the Unemployed

Millions of unemployed workers have lost health care coverage for themselves and their families when they lost their jobs. Three out of every five workers covered by employer-employee benefit plans lose their health insurance coverage when they are laid off.

Several bills to continue health insurance for the unemployed have been introduced. On Feb. 17, 1975 the AFL-CIO Executive Council called for immediate enactment of a temporary, emergency program to continue health insurance coverage for unemployed workers who had insurance prior to layoff and to make eligible for Medicaid those who were not covered when they were working.

Council Recommendation

In the face of massive and continuing unemployment and because the vast majority of unemployed workers have either lost or have never had health insurance protection against the cost of illness, the AFL-CIO recommends prompt enactment of a temporary emergency health insurance program for the unemployed to be financed from federal general revenues.

Such a temporary program does not detract from the AFL-CIO's goal to enact Health Security to resolve the health care problems of the unemployed and all Americans on a permanent basis.

Employment of the Handicapped

The AFL-CIO welcomes the progress that has been made by both public and voluntary agencies in rehabilitating the disabled. In spite of great improvements in legislation, rehabilitation techniques and public awareness and support, the major portion of the difficult job of rehabilitating and employing the handicapped still remains.

Organized labor has participated actively in the work of the President's Committee on Employment of the Handicapped and similar national and state committees, as well as on the community level, to promote rehabilitation and hiring of the handicapped. The AFL-CIO supported the rehabilitation legislation enacted by Congress in September 1973. One provision of the legislation, Section 503, represented a major break-through in the fight to employ the handicapped. This provision requires that government contractors and sub-contractors take affirmative action to employ and advance in employment qualified handicapped individuals.

Council Recommendation

It is the policy of the AFL-CIO that every practical means shall be used to insure equal opportunity in employment of all qualified handicapped workers, and to further this objective we urge all affiliates to:

1—Support legislative action matching amounts of state funds to available federal appropriations for rehabilitation programs and to cooperate with State Vocational Rehabilitation Agencies.

2—Participate in programs to rehabilitate union members and to support community rehabilitation programs.

3—Support efforts to carry out the intent of Section 503 of the Rehabilitation Act of 1973 (Public Law 92-112) which requires government contractors and subcontractors to take affirmative action to employ and advance in employment qualified handicapped workers, and to insure that the agency administering the program is adequately staffed and funded.

4—Support efforts to eliminate architectural barriers which prevent millions of handicapped citizens who are limited by age or disability from entering and working in places of employment.

5—Include clauses in collective bargaining agreements to protect partially disabled union members still qualified for their jobs from being denied continued employment.

Pension Programs

Although Social Security is the major source of income for a large majority of elderly Americans, retirees have a vital stake in other retirement and pension programs. A private pension frequently means the difference between a comfortable retirement income and one that is barely adequate or sub-standard. Union members have a particular stake in private pensions since pension coverage is greatest in those industries that are heavily unionized.

A number of significant shortcomings in private pension programs resulted in a demand by organized labor and the public for pension reform legislation. Among these shortcomings were: no or inadequate vesting standards, unsatisfactory funding standards, inadequate fiduciary standards, and no federal insurance to guarantee workers their vested pension benefits in the event their employers went out of business.

The Subcommittee on Labor of the Senate Committee on Labor and Public Welfare conducted extensive hearings and investigations on private pension plans in the 92nd Congress. During 1973, the Senate Finance Committee also held hearings on private pension reform. Both committees reported bills and the differences were resolved in one bill S4, which passed the Senate unanimously on September 19, 1973. On the House side, both the Education and Labor Committee and the Ways and Means Committee considered pension reform legislation. After jurisdictional problems were resolved, the House passed its pension reform bill HR2 by an overwhelming majority on Feb. 28, 1974.

The House-passed legislation differed in a number of ways from S4. One of the major areas of difference was in the minimum vesting provisions which gave the employer three choices in the method of vesting. This and other differences were resolved in a Senate-House conference committee. The Congress passed the Employee Retirement Income Security Act of 1974 in August and it was signed into law by the President on Labor Day. Among the provisions of the law are:

- Employers are required to include in their pension plan any worker after age 25 or one year of service, whichever occurs later.

- Employers will have to meet one of three minimum vesting standards: (1) 100 percent vesting after an employee has com-

pleted ten years of service, (2) 25 percent vesting after five years of service, with annual additions of 5 percent over the next 5 years and 10 percent over the following five; or (3) "the rule of 45" which requires 50 percent vesting of benefit credits after an employee has at least 5 years of service and his age and years of service total 45 (or after 10 years of service if earlier) and 10 percent more annually over the next 5 years.

- A Pension Benefit Guarantee Corporation was created to protect workers against loss of benefits because of a pension plan termination.
- Fiduciary standards and reporting and disclosure requirements were established for all pension and welfare plan administrators and trustees.

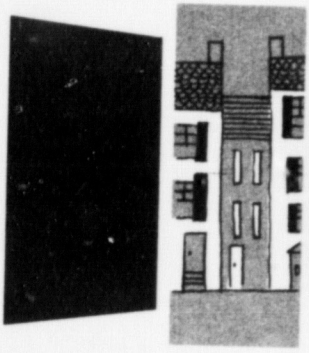
Council Recommendation

The implementation and initial administration of the Employee Retirement Income Security Act will be a formidable task and many difficult problems will arise. It is particularly important for organized labor to be vigilant in order to insure that hostile administration, inadequate appropriations and unsatisfactory regulations do not undermine a legislative victory. In order to minimize problems and to insure that the law will be of maximum benefit to AFL-CIO members, we urge our affiliates to do the following:

1—Support adequate appropriations and personnel for the Departments of Labor and Treasury so that they can properly administer and carry out the law.

2—Urge the Departments of Labor and Treasury to administer the law with flexibility in order not to disrupt legitimate, collectively bargained pension arrangements and administration to the detriment of participants.

3—Scrutinize the work of those agencies administering the law and call to the attention of the AFL-CIO any special concerns regarding the law and its administration and, based on their experience, make suggestions for changes in either the law or regulations to ensure that the new law will operate to the greatest benefit of participants and beneficiaries.



Urban Affairs And Housing

Housing

A decent home for every American family remains an unfulfilled promise of national housing policy. Its achievement receded into the distant future over the past 33 months, as housing construction went through the worst decline in three decades.

New housing starts declined from 2.4 million in 1972 to 2.1 million in 1973 and 1.35 million in 1974. A further decline to a total of about 1.1 million in 1975 is expected, based on activity levels in the first six months of 1975 and the outlook for the rest of the year.

As housing construction experienced its fifth decline in 20 years, construction unemployment climbed to a rate of 21.8 percent in May. In the wake of decreased construction activity, there has also been rising unemployment among workers in the production, distribution and transportation of building materials, adding to the general economic depression.

Continued deficiencies of housing production relative to needs are leading to tight supply conditions in local housing markets and creating inflationary pressures upon housing prices and rents. Nevertheless the Ford Administration has continued the housing and mortgage credit policies, initiated in the Nixon Administration, which caused the depression in housing.

The drastic decline in residential construction resulted largely from tight money, high interest rate policies pursued by the Federal Reserve and the deliberate phase-out by the Administration of low- and moderate-income housing programs. Mortgage interest rates climbed to a 9½-10 percent range in 1974 and are still at an 8½-9 percent level. The median sales price of a new home is about $40,000. The unsold inventory of new homes remains at about 380,000, discouraging a high level of new starts.

Little relief was afforded to homeseekers by the Administration and congressional special mortgage assistance programs.

About $16 billion was committed to lenders during the 18 months ending June 1975 for mortgage loans at 7¾ to 8¾ percent interest rates. These efforts proved ineffective in restoring housing demands to higher levels, however, because most families could not afford to pay such high rates, and only about one-fourth of the funds were used to make mortgage loans during the 18 months. In March 1975, the Congress authorized tax credits equal to 5 percent of the purchase price, up to a maximum of $2,000, for new homes started before March 26, 1975. That also failed to stimulate a high level of housing demand. The tax benefit is equivalent to a reduction of up to $15 in monthly payments, which is relatively minor in relation to total housing expenses of $350 to $500 per month for most new homes.

Subsidized low- and moderate-income housing production has been deliberately cut back since a moratorium was placed on new approvals in January 1973. Department of Housing and Urban Development programs for homeownership and rental housing assistance and conventional public housing have never been reactivated. Total subsidized housing starts, which had exceeded 425,000 in 1970 and 1971, fell to 329,000 in 1972, 180,000 in 1973, 119,000 in 1974 and will be less in 1975.

Only the Farmers Home Administration rural housing program was reactivated, and in 1974 it accounted for three out of every five subsidized housing starts. Activity under the rural assisted homeownership program has been limited, however, by a lack of adequate personnel. Furthermore, the Administration has sought to eliminate the farm labor housing program, and has refused to implement an authorized rent supplement program for rural areas.

The Administration has pointed to a high rate of foreclosures under the urban subsidized housing programs as a reason for cutbacks. It has managed to keep in the shadows the incompetent program management which allowed wholesale fraud to flourish and generate home and project loans that should not have been made. In the past five years there have been 1,100 indictments for illegal activities in connection with HUD-FHA housing programs. By April 1975, there had been 600 convictions and 40 acquittals.

Despite the need for increased low-income housing construction and repeated congressional prodding, the Administration has refused to use available authorized funds for Section 235 homeownership assistance and conventional public housing. It has also ignored the intent of Congress to use authorized funds for Section 202 long-term loans for senior citizen housing, providing only interim construction financing, which leaves the program largely inoperative. The Administration has placed sole reliance for the provision of urban low- and moderate-income housing upon the Section 8 housing assistance payments program enacted as part of the Housing and Community Develop-

ment Act of 1974. Projects approved for assistance payments on behalf of eligible low-income occupants would still require conventional, FHA-insured or state agency financing. Section 8 is not a financing program.

That act also established the requirement of a locally-approved housing assistance plan as a prerequisite for federal approval of a local community development block grant. The plan is to assess lower income housing needs in the community and to set realistic annual production goals to meet those needs. The annual production goals, to be realistic, have to be unreasonably low relative to needs, since Section 8 is the only available federal housing aid for urban low-income housing. Consequently, the housing assistance plan permits federally-supported community development to proceed in the absence of adequate low-income housing.

The Section 8 program faces serious problems of financing availability. Furthermore, HUD regulations and instructions are emphatic that Section 8 new construction projects will be approved only where there is not an adequate supply of existing housing. There are no refined criteria to define an adequate supply of housing, however, and the result is an undue emphasis on use of existing rental housing supported by Section 8 assistance payments. The program offers little prospect of compensation for the great deficiency in low- and moderate-income housing construction brought about by Administration policies.

By June 30, 1975 fund reservations had been made for assistance of 96,000 units under Section 8, including only 35,000 new construction units. It will be many months before actual construction begins.

In order to bolster homebuilding, the Congress passed the Emergency Housing Act of 1975, which the AFL-CIO supported. It would have provided assistance for approximately 400,000 home purchases through either (1) 6 percent mortgage financing for the first three years, with increases to a market rate over the next three years; (2) a fixed 7 percent interest rate mortgage; or (3) a one-time $1,000 incentive payment. It also would have allocated authorized housing assistance payments to support construction of about 75,000 conventional public housing units. In addition, the bill would have authorized a temporary anti-foreclosure assistance program for approximately 100,000 homeowners who had suffered a serious loss of income through unemployment or other causes.

President Ford vetoed that bill, claiming that the effect upon homebuilding would be delayed and limited, and that a recovery in housing was already underway. The Congress then passed a new bill with the same title, authorizing: (1) up to $10 billion in funds for government purchases of mortgages with interest rates not in excess of 7½ percent; (2) repayable loans of up to $250 per month for 24 months to unemployed and other home-

owners whose incomes have been reduced, to prevent foreclosures and loss of homes; and (3) extension of a program of below-market interest rate rehabilitation loans. The President signed it.

The Community Development Block Grant Program, enacted in August 1974, replaced a number of categorical programs, including urban renewal, water and sewer grants and model cities. Since most of the categorical programs had been in an administratively imposed phase-out since mid-1973, and improvement activities had been reduced, the communities rushed to apply for grants under the new program. Metropolitan central cities of 50,000 or more population and urban counties with populations of 200,000 or more are entitled to a grant by law. By late April, 1,260 applications had been received from communities having statutory grant entitlements, and 152 approved. In addition, 1,626 non-entitlement communities outside of metropolitan areas had been invited to submit applications, and about 1,500 smaller, non-entitlement communities in metropolitan areas had submitted applications to be funded from discretionary funds available to the Secretary of HUD.

The latter communities, whose application requests total about $438 million, were told that they cannot receive grants in fiscal year 1975 because of the unanticipated large number of urban counties that had applied for grants. About 75 urban counties had applied for grants and they have a statutory entitlement. Consequently, discretionary funds available from the fiscal year 1975 authorization of $2.5 billion were inadequate. The congressional appropriations committees approved an additional $55 million supplemental appropriation toward the end of fiscal year 1975. Nevertheless, for fiscal year 1976, HUD requested an appropriation of only $2.75 billion, although $2.95 billion is authorized.

Of the total dollar amounts requested in the first 334 community development block grant applications, 31 percent was for use in public works and site improvements. Another 30 percent was divided about equally between completions of urban renewal projects, rehabilitation loans and grants and acquisition of real property. The balance was for a variety of purposes, including continuation of model cities programs, social services, planning and management, projects and services for the handicapped and miscellaneous other purposes.

As part of the community development application, the applicant community must certify that it will administer and implement required labor standards. These include Davis-Bacon prevailing wage standards, provisions of the Contract Work Hours and Safety Standards Act, and the Copeland Act prohibiting kickbacks to employers. There are no specific labor performance standards, however, in the HUD program regulations. Letters to the Secretary of HUD calling for remedial action brought a response in late August from the Secretary of HUD. She noti-

fied the AFL-CIO that a labor standards handbook had been prepared and would be available shortly.

Council Recommendation

The nearly three-year decline in housing and community development construction activities must be reversed, so that the national policy goal of a decent home and a suitable living environment for every American family can be realized in the foreseeable future.

The AFL-CIO urges the Congress to enact, and the Administration to fully implement, an emergency 6 percent mortgage home financing program that would remain in effect until housing starts reach a seasonally adjusted annual rate of at least two million units for three consecutive months.

In order to raise the level of greatly needed housing production for low-income families and senior citizens, the AFL-CIO strongly recommends that the Administration utilize a substantial amount of housing assistance payments authority to approve new conventional public housing projects, to reactivate the urban homeownership assistance program, and to provide long-term financing for senior citizens housing with funds authorized for the Section 202 program.

To avoid future repetitions of sharp cyclical declines in homebuilding, the Congress should mandate the implementation of selective credit regulation when tight money and high interest rate conditions are developing.

In order that planned improvement of communities can proceed as intended under the Community Development Block Grant Program, the AFL-CIO urges the Congress to appropriate the full amount of funds authorized for that program.

AFL-CIO Mortgage Investment Trust

In light of the dismal economic conditions in the housing area, it has become quite evident that massive new financial resources, both public and private, must be made available for all income groups for construction financing and mortgage loans. The AFL-CIO has long believed that social investment can and should be made in significant proportion to the nation's total volume of available credit.

Among available resources, pension funds have become a major source of investment credit. A substantial portion of the nation's savings are now being directed into investment channels by pension fund trustees and managers. Investors of union general treasury funds and union trustees of labor-management pension funds are increasingly concerned about what may have been an over-emphasis on stock market purchases as against more constructive investment in such activities as government-

insured residential construction financing and permanent mortgage loans. In this area, the economic multiplier effect is generally greater and new jobs are created throughout various sectors of the economy.

Organized labor has always been in the forefront of the campaign to provide decent homes and decent jobs for every American. The creation of the AFL-CIO Mortgage Investment Trust by the AFL-CIO Executive Council in 1964 was one more way of seeking to achieve this goal.

The trust provides an investment plan with exceptional advantages for union treasuries and labor-management pension and welfare funds. The pooled monies entrusted to it for long-term investment are placed mainly in construction loans and permanent mortgages, insured or guaranteed by the United States government. Additional benefits are:

- The creation of additional and continuing employment in the hard-pressed construction trades and industrial groups which manufacture the necessities for newly constructed or remodeled housing units.
- A high degree of security and a reasonable return on investment.
- The right of participants to earmark their funds to promote projects in their area, providing the area's total investment is commensurate with the size of the requested project and if government-insured and union-built projects are available.
- The right of participants to redeem their participation upon 60 days notice without being forced to sell individual mortgages in the market.
- Recognition for the union movement both nationally and locally for a public service in providing housing.

The trust operates basically as a mutual fund. Net income earned by the trust is distributed on a semi-annual basis after June 30 and December 31 each year.

Over the past four years the AFL-CIO Mortgage Investment Trust has grown from $10.4 million in net participants' investments on July 1, 1970 to over $60 million on July 1, 1975.

The operations and procedures of the trust are fully set forth in the trust's prospectus filed with the Securities and Exchange Commission.

Human Resources Development Institute

Shortly after the last convention, Congress enacted the Comprehensive Employment and Training Act of 1973 (CETA) which supplants the Manpower Development and Training Act of 1962, Title I of the Economic Opportunity Act and the Emergency Employment Act of 1971.

CETA was implemented on July 1, 1974, and brought under one legislative umbrella the categorical manpower programs which were formerly carried out under MDTA and the Economic Opportunity Act. It established a system for the distribution of federal manpower funds and placed both authority and responsibility for the planning and implementation of manpower programs with the elected officials of state and local governments.

In replacing MDTA and EOA, CETA became the chief vehicle for national manpower policy, and placed new responsibility on HRDI to assure that local labor unions, officers and membership were aware of organized labor's rights and responsibilities under the law. While CETA is not revenue-sharing as originally proposed by the Administration, it does embrace some revenue-sharing concepts, which require local overview and pressure to assure effective programs that meet local community needs.

Thus, it is important that the labor movement be provided support, training and technical assistance to protect its interests. To this end, HRDI has carried out its role as the manpower arm of the AFL-CIO.

Manpower Planning

Allocation funds are distributed by formula to local prime sponsors who must prepare an acceptable plan, utilizing a "manpower advisory council" which, by law, must include representatives from organized labor.

The 1973 AFL-CIO Convention recommended that "HRDI continue to involve state and local leaders of organized labor in manpower programs and planning."

In carrying out this responsibility, HRDI maintains a directory identifying over 700 individuals from organized labor who are serving on state or local manpower planning councils. HRDI staff have been instrumental in supporting state and local central bodies in initiating and increasing labor representation on local planning councils. It is on these councils that representatives of organized labor can participate in program planning, and have a voice in the quality of training and the recognition and enforcement of standards relating to wages, working conditions and job security.

A number of HRDI staff have been appointed by local and state labor bodies to serve as labor representatives on MPCs. Trained as manpower specialists and having daily involvement in manpower affairs, HRDI staff have frequently assumed leadership roles as representatives of their local central labor bodies.

Technical Assistance and Education

Recognizing its responsibility to assure organized labor's knowledge of CETA and its effects, HRDI has increased its technical assistance and education efforts. For example, in cooperation

with the Labor Studies Center, HRDI conducted manpower seminars in five cities in 1974 designed specifically for the leadership of state and local central labor councils and focussed on the role of labor in the implementation of CETA.

In addition, HRDI conducted 40 manpower education conferences in cooperation with local labor councils. The sessions familiarized local labor representatives with the operation of CETA in their communities and discussed ways in which organized labor can more effectively participate in the planning and implementation of CETA programs.

HRDI also developed 57 manpower education programs, working in cooperation with the AFL-CIO Department of Education, international union education programs and state and local central body labor education programs, as well as programs with local representatives of the AFL-CIO Community Services Department.

Moreover, HRDI staff have addressed 3,038 local union meetings since October 1973 in an effort to inform the officers and members about CETA, with particular emphasis on the public service jobs program.

HRDI staff also worked closely with local labor leadership, providing direct assistance in such areas as interpretation of federal regulations and their effect on existing collective bargaining agreements, and formulation and operation of labor-sponsored manpower programs. In providing such assistance on 2,975 occasions since the 1973 convention, HRDI has located funding sources, and assisted in proposal and curriculum development, selection and training of program staff, and implementation of the programs operations. As a result, HRDI has been instrumental in the development of 390 programs involving more than $15 million. On the national level, similar assistance has been provided to international unions, AFL-CIO trade and industrial departments and other labor organizations.

Special Programs

The 1973 convention recommended that "HRDI continue and expand its efforts in developing programs to assist special groups of disadvantaged persons such as prisoners, welfare recipients, veterans and young people to enter the labor force."

To carry out this responsibility, HRDI has continued its efforts to operate a job development and placement program to meet the needs of the disadvantaged, minorities and unemployed union members.

From October 1973 through June 1975, HRDI developed 48,333 job opportunities and placed 20,416 individuals in those jobs, far exceeding its contractual commitment to the U.S. Department of Labor. Among those placements, more than 11,119 were considered disadvantaged persons—2,266 were ex-offenders, 1,316

welfare recipients and 3,086 veterans. Other placements included youth and the physically handicapped. The majority of these placements were made in union jobs paying an average wage of $3.91 per hour.

In an effort to involve all levels of the labor movement in assisting these special groups of disadvantaged workers, a wide range of innovative programs were developed by HRDI in cooperation with state and local affiliates.

HRDI's emphasis in the ex-offender program development has been to provide training and viable employment as an effective means of reducing recidivism.

Working closely with the Nebraska AFL-CIO, the Omaha HRDI area representative developed a pre-trial intervention program through the Douglas County Public Defender's office. During its first year, this labor-supported program saved the State of Nebraska an estimated $1,300,000 by finding jobs for clients and allowing them to become tax payers rather than tax users.

HRDI, in cooperation with Carpenters Local 1276, also developed an apprenticeship training program for 67 inmates at the Federal Correctional Institution in Seagoville, Tex., which included classroom instruction and on-the-job training.

In Pascagoula, Miss., HRDI has had continued success in placing 262 ex-offenders in a special program developed in cooperation with the Pascagoula AFL-CIO Metal Trades Department and the Ingalls Shipyard.

A pre-trial intervention program in Syracuse, N.Y. was refunded with the assistance of local HRDI staff. This program, initially developed by the HRDI area representative, has placed 600 candidates, who were first offenders with misdemeanors, in full-time jobs in the past two years.

In Fort Worth, Tex., HRDI operated a vocational training program in the Federal Correctional Institution, with assistance from the Ironworkers, Painters, and Carpenters. This pre-apprenticeship program was developed in cooperation with the local Building Trades Council and the Federal Bureau of Prisons. Training was given by selected union journeymen for each of the three crafts, and all unions agreed to place those who completed training and met apprenticeship requirements into their apprenticeship programs. The program, which operated from August 1973 through January 1975, involved some 122 inmates.

For the third consecutive year, HRDI assisted the Philadelphia Negro Trade Union Leadership Council in developing a summer youth program. The program for summer 1974 involved 1,377 enrollees of the Neighborhood Youth Corps. HRDI recruited and placed 16 staff to conduct the program.

In cooperation with the Seafarers International Union, the San Juan HRDI area representative was able to secure approval and funding of a child development center in San Juan, Puerto Rico.

HRDI staff also played a significant role in the re-negotiation of the second year contract. The center houses 140 children and is maintained by 25 staff.

In Buffalo, N.Y., the HRDI area representative was instrumental in bringing together 14 local agencies and worked out an agreement which led to a CETA program for placing the handicapped. HRDI, in cooperation with various local unions, assisted in placing 150 handicapped persons.

HRDI established an office in Anchorage, Alaska in July 1974 to represent and assist Alaska unions in manpower training matters related to the construction of the Trans-Alaska Pipeline. The HRDI representative works with labor, management and government officials, as well as native associations, in the planning of manpower programs needed to meet the impact of the pipeline and the resulting construction activity. An arrangement has been made with the Alyeska Pipeline Service Co. whereby HRDI participates in all manpower training and planning related to the pipeline.

During the last year, HRDI worked closely with the Building and Construction Trades Department, a committee of international union representatives appointed by the general presidents of building trades unions, and the Navajo Indian Tribe, to develop a plan to assure the training and employment of Navajos on construction projects on or near the Navajo Indian Reservation. Several coal gasification plants and fossil fuel power plants amounting to several billion dollars are planned in the near future.

A program has been developed for a comprehensive reservation-wide manpower program administered by HRDI. The plan provides for the training and placement of over 300 Navajos on construction jobs, and involves coordination with international unions, local unions and Joint Apprenticeship and Training committees in Arizona, New Mexico, Utah and Colorado.

Veterans' Assistance Program

The Veterans' Assistance Program, initiated in 1970, continues to meet the needs of disadvantaged veterans through counseling and job placement. With the end of the Vietnam War and the withdrawal of American forces, the program has focussed on those veterans with limited education and few skills. The program is operated from three separation centers in the San Francisco area—Treasure Island Naval Base, Oakland Army Base and Travis Air Force Base. Interested veterans are individually interviewed and referred to local HRDI offices throughout the country for job placement assistance, or placement into a training program until employment is available.

From October 1973 through June 1975, HRDI staff gave personal interviews and job counseling to 13,720 individuals, and

provided special counseling to another 7,816 service men and women. HRDI area staff placed 3,537 Vietnam era veterans in jobs paying an average wage of $4.11 during this period.

AFL-CIO Action Program

When the "Action Program to Put America Back to Work" was adopted at the emergency session of the AFL-CIO General Board on January 23, 1975 in Washington, D.C., local central bodies were urged "to work with the Human Resources Development Institute to develop jobs and provide adequate counseling and referral for unemployed union members." Immediately following the emergency session, HRDI President Alan Kistler directed HRDI staff to assist in the implementation of the Action Program.

Working with representatives of the Departments of Community Services and Organization and Field Services, HRDI area staff have assisted in 22 state and local Action Program conferences. Supporting resolutions were adopted by every local central body where HRDI operates.

HRDI area representatives, when addressing central body and local union meetings on the Action Program, are seeking job openings and placement opportunities for laid-off union members. Area representatives are also participating in counseling sessions for the unemployed.

Vietnamese Refugee Program

The AFL-CIO, in its statement on the Vietnamese refugee program, called on HRDI "to cooperate fully with government and voluntary programs to assist the refugees to find jobs."

To meet this responsibility, HRDI has been coordinating its efforts and resources with the Community Services and International Affairs Departments in order to provide employment information and expertise. All area office staff are prepared to assist the refugees and are encouraging local support of the May 6, 1975 statement of the Executive Council.

Apprenticeship Outreach Programs

Since assuming administrative responsibility for the 21 Apprenticeship Outreach Programs sponsored by local building trades councils, the overall operation and administrative efficiency of each of the programs has been improved. Despite the depressed economic condition of the construction industry, the AOPs were able to indenture 1,034 apprentices and place 255 journeymen during its last contract period (January 1974-January 1975). The AOPs placed 105 applicants on the new-hire list implemented by the Elevator Industry National Recruitment and Training Program, and 269 applicants in other industries.

Alien Labor Clearinghouse

HRDI continues to serve as the clearinghouse on behalf of U.S. Employment Service and a number of AFL-CIO international unions in assuring that employer applications to import alien workers possessing specific job skills receive an adequate review by the unions concerned.

HRDI transmitted applications involving requests for approximately 812 aliens for such crafts as welders, electricians, plumbers and pipefitters to the appropriate international unions (or constitutional department) and followed up to assure a union response within the specified time limitation.

Council Recommendation

At a time when current economic conditions and new manpower legislation have placed an increased responsibility on the local labor movement, the Human Resources Development Institute provides a vital service to organized labor.

As HRDI meets its commitment to assist and protect the interests of organized labor in the manpower field and in providing job assistance to unemployed union members, it also serves the needs of those individuals who for a lack of skills, education or jobs, have not been able to enter the labor force.

HRDI continues to develop new approaches in utilizing manpower resources as a means to provide the opportunity for all Americans to share in a decent, dignified and fulfilling way of life.

Recognizing HRDI's capability to assist all AFL-CIO affiliates at the national and local levels to utilize manpower programs to assist unemployed and underemployed union members and the disadvantaged, we recommend that:

1. HRDI, in cooperation with state and local central bodies, continue its job development and placement activities for unemployed union members and the unskilled, disadvantaged unemployed.

2. HRDI assist and encourage state and local central bodies to actively participate on local manpower planning councils in an effort to protect organized labor's interests, and to assure that local manpower training programs do not undermine wages, working conditions or job security protected by collective bargaining agreements.

3. HRDI continue to provide technical assistance to state and local central bodies and their affiliates affected by public service employment programs, which may create layoffs or violations of collective bargaining agreements.

4. HRDI continue to make its services available to the departments of the AFL-CIO, national and international unions affiliated with the AFL-CIO, and other labor organizations in meeting their manpower needs.

5. HRDI continue to provide technical assistance to AFL-CIO

state and local central bodies and their affiliates in developing local manpower training programs which will assist unemployed union members and disadvantaged persons.

Anti-Poverty Program

At a time when unemployment and underemployment affect a growing number of Americans, the problems of the poor and the disadvantaged become increasingly severe. The AFL-CIO has always recognized that the programs developed under the Economic Opportunity Act represent only a limited response to the total needs of those on the lowest rung of the economic ladder.

If poverty is to be eliminated, it must be achieved within the framework of an expanding economy which offers everyone, without discrimination, the opportunity to obtain decent jobs at decent pay, housing, quality education, adequate health and social services.

Recognizing that a full employment economy and fair pay are the major ingredients of any "war on poverty," the AFL-CIO has acknowleged the considerable merit in the special programs developed by OEO to benefit the poor.

Since its inception, the anti-poverty program has received the wholehearted endorsement and support of organized labor. The AFL-CIO worked for the enactment of the original Economic Opportunity Act in 1964 and has played an active role in each of the critical renewal fights over the last decade. Once programs were formulated, union leadership has actively participated in and supported the anti-poverty effort at the state, local and federal levels.

Representatives of organized labor are still actively engaged in many facets of the anti-poverty program. Many AFL-CIO members serve on the executive boards of community action agencies. Other union members serve on manpower planning committees where they make recommendations concerning the use of Economic Opportunity Act funds. AFL-CIO-affiliated local unions cooperate in the operation of Neighborhood Youth Corps, Operation Mainstream, New Careers and other projects.

At the national level, AFL-CIO affiliates participate in the Job Corps program. At the present time, six international unions are the sponsors of training programs in Job Corps Conservation Centers in various locations around the country. The following AFL-CIO unions are currently involved in Job Corps training programs: Bricklayers, Operating Engineers, Carpenters, Painters, Plasterers and Cement Masons and Railway and Airline Clerks. In addition, the AFL-CIO Appalachia Council operates a Job Corps Center.

At the local level, community action agencies attempt to coordinate the variety of services available to the poor. In many areas, newly laid-off workers are benefiting from these services—

especially during the time lag between lay-off and receipt of unemployment compensation checks.

The AFL-CIO has always believed that a cohesive attack on poverty must be national in scope. Overall federal control of policy and direction is necessary to assure that states and localities adequately address the problems of the poor. This can only be assured if there is sufficient oversight and central direction.

During 1974, when EOA was due to expire, then President Nixon made it clear that he would veto any attempt to continue the program. In an effort to block the destruction of the program, a bipartisan coalition of Congressmen and outside groups —including the AFL-CIO—supported legislation creating the Community Services Act of 1974. The main purpose of this legislation was to preserve community programs and the federal funding required to keep these programs in operation. A major controversy developed over whether OEO should be maintained as a separate agency or whether the integrity and preservation of the programs could be protected through separate administration within HEW.

While the legislation was being considered on Capitol Hill, the impeachment process was reaching its climax. The new legislation reflected the expected change in national leadership. Under the new law, OEO was maintained as an independent agency, but the President was given the opportunity to submit a reorganization plan transfering programs to a separate administration within HEW in accordance with congressional directives. Congress could then disapprove the reorganization plan, but this disapproval would be subject to a veto. Congress made it clear that in any proposed reorganization, the collective bargaining rights of OEO employes would be fully protected.

The new legislation increased the percentage of local and state funds required to obtain matching federal funds. Unfortunately, the decreasing federal share, coming at a time when local and state revenues are dropping, is causing critical financial problems for many community action programs.

Council Recommendation

With millions of Americans unemployed and underemployed and millions more living below the poverty level, the national commitment to reducing or eliminating poverty must be maintained. Only the federal government can establish the programs and policies necessary to assure that all who seek employment, education, housing, health services and other assistance shall have the opportunity to obtain their needs.

The AFL-CIO calls upon the Congress and the Administration to provide the funds required to help the poor move into the mainstream of our society. State and local communities will have a difficult time meeting the increased matching requirements. If federal funding levels drop, many worthwhile programs will be forced out of existence.

We continue to support the maintenance of a central advocate within the federal establishment to assure that poverty programs are carried out effectively and that the Executive Branch retains a focal point for problems of the poor.

The AFL-CIO sees no need for a reorganization plan that would shift OEO from independent agency status to a separate administration within HEW. Should such a reorganization plan be submitted, we will scrutinize its proposed structure in terms of congressional intent as spelled-out in the 1974 Community Services Act as well as the national interest in eliminating poverty.

Veterans' Affairs

The Vietnam War has ended. But for some 7,000,000 veterans the battle continues—for decent jobs, adequate medical care and the same educational opportunities afforded their fathers after World War II.

The AFL-CIO firmly believes that this nation has a commitment to do everything it can to provide veterans with the readjustment tools necessary to enable them to take their rightful place as productive members of American society.

Yet this commitment is being ignored and the Vietnam veteran shunted aside. Underlying educational, employment and health problems is an inexcusable attitude of public and governmental indifference to the veterans' dilemma. Too often the veteran is seen as visible symbol of an unpopular war which the American people would like to erase from memory. And in that haste to forget, the treatment of the Vietnam veterans has been a national disgrace.

With joblessness at record levels, Vietnam vets who have entered the work force only recently and often with few marketable skills, have been among those most drastically affected. By June 1975, veteran unemployment was 9.7 percent—589,000 veterans out of work, an increase of over 290,000 over the previous year. For college-aged veterans, 20-24 years of age, who could be taking advantage of the GI educational bill, the unemployment rate stood at 19.9 percent.

In education, the problem is simply that too few veterans are taking advantage of the GI bill. This contemporary educational program has never reached parity with its World War II predecessor. While participation rates have increased in the past year, they have yet to reach the levels following World War II. Although the Senate in 1974 passed AFL-CIO-endorsed legislation significantly modernizing this program, the legislation was pared back under veto threats by the Ford Administration. Yet even after Congress had met White House objections, the President still vetoed the legislation—the first ever of a GI bill. Although Congress wisely overrode that veto, inflation and skyrocketing education costs of the past years has already sharply eroded these gains. Thus, inadequate educational benefits have forced

thousands of veterans in to the already long lines of the unemployed.

Finally, in health care, the needs of the crippled and maimed veterans have been cruelly victimized by the budget-slashing policies of consecutive Republican Administrations who have done little else but pay lip service to veterans. Indeed, from 1969 through 1974, the medical care portion of the VA budget decreased while the number of veterans being treated was increased by over 50 percent. Deficiencies in VA health care ssytems, well documented in congressional studies, have provoked complaints from veterans about long delays in admissions and treatment, unsanitary conditions, delays in getting necessary personal care supplies and, most important, a shortage of doctors, nurses, and aides which directly inhibit medical care, particularly rehabilitative therapy.

While congressional efforts to rebuild the once incomparable medical standards of the Veterans Administration continue, these efforts face the formidable roadblock of a fiscally conservative Republican Administration more concerned with a balanced budget than with a needs of the nation's less fortunate veterans.

Council Recommendation

The AFL-CIO believes that this nation's obligations to its veterans must be fulfilled. To accomplish this, the AFL-CIO will continue its efforts in Congress to enact programs to help veterans help themselves and to assist those who cannot. As part of that effort, the AFL-CIO supports the following program for veterans:

1. Employment—In order to reverse the economic depression and unconscionable high unemployment rate particularly among Vietnam veterans, the AFL-CIO will seek both enactment of job-creating legislation and full-funding of all federal manpower programs.

Beyond the employment handicap of a depressed economy, more than 176,000 Vietnam veterans are faced with still another job roadblock to a decent job. These veterans were discharged under less than honorable conditions for reasons varying from minor drug abuse to the often nebulous charge of inability to conform to military standards. As a result, these veterans face society with a stigma far greater than any released criminal offender—branded by the military and reentering civilian life with little potential for finding decent employment. The vast majority of these discharges were administrative actions without legal protection as provided in courts martial. To remedy this, the AFL-CIO supports the establishment of regional, independent discharge review boards to better enable a case-by-case review of these individual discharges in order to correct any injustices.

For our part the AFL-CIO Human Resources Development

Institute will continue its special veterans job programs in cooperation with state and city central bodies and AFL-CIO affiliates. In conjunction with union representatives on local manpower planning councils, HRDI will continue its efforts to see that veterans preference remains an integral part of local manpower training programs.

2. Education—To encourage veterans presently covered by the GI Bill to return to school and thus improve their job skills, the AFL-CIO recommends the following improvements, in the GI Bill educational program:

- To achieve parity with the post World War II program, an increase in the basic GI monthly educational allowance with protection against future cost of living increases.
- A system of variable tuition assistance to end the geographical discrimination against veterans in states with high-cost educational systems who are at a distinct disadvantage when compared to their counterparts in states with low-cost educational systems.
- Acceleration of entitlement similar to the method available to veterans of World War II. This will provide a more effective level of educational assistance to encourage veterans to undergo or resume studies particularly for those in less than four-year institutions, such as vocational training, or married veterans seeking to complete previously interrupted courses of study.
- Elimination of the "undergraduate-only" restriction on the recently enacted nine-month extension of benefits entitlement. No such restriction was imposed on the World War II program and none is warranted in the current statute.
- An equalization of the discriminatory hourly requirement whereby veterans in college can receive full-time benefits with as little as 12 to 14 hours of course work, while a veteran pursuing vocational training generally must attend courses from 25 to 30 hours a week to qualify for the same benefit entitlement.
- Full funding and extension of the Veterans Cost-of-Instruction program designed to provide incentives and supporting funds for colleges and universities to recruit veterans and to establish the kinds of special programs and services necessary to assist veterans in their academic pursuits.

3. Health Care—The AFL-CIO urges Congress to increase the VA medical care budget so as to adequately assure the best health care for all veterans. The AFL-CIO also endorses pending legislation to increase the salaries of VA medical personnel in order to retain the physicians and specialists needed for quality health care and rehabilitation.

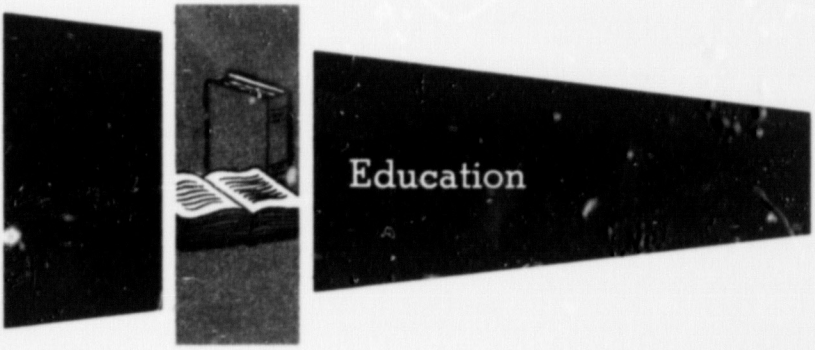
4. As for the future of the GI Bill program, the end of the Vietnam era has engendered calls for the termination of the GI Bill as a readjustment program. The readjustment format may be no longer viable with the implementation of the all-volunteer military service. But we are hesitant to endorse the perfunctory dismantling of this, the longest standing and one of the nation's

most successful, federal aid to education programs. To do this would be to summarily disregard the vast social benefits achieved as a result of this landmark educational effort.

Since 1944 the GI Bill has enabled over 15 million men and women to receive educational training. The Internal Revenue Service has estimated that the $14 billion invested in the World War II GI Bill has been returned six fold in increased tax revenues resulting from those whose careers were vastly improved as a result of the GI Bill. Indeed, at the present time, more than 1.7 million persons are undergoing some form of educational training under the GI Bill.

Far more important, however, is the social impact of this valuable federal program. For many citizens, particularly those from rural America and the inner-cities, the GI Bill provided a way out of poverty through educational opportunity and ultimately opened the doors to career opportunities which would have otherwise been forever closed.

Therefore, the AFL-CIO urges a congressionally-authorized study, conducted by the Office of Education, to examine current veterans programs in light of today's realities. It is possible that readjustment benefits should become an expanded in-service, educational program for members of the armed services, supplemented with a limited post-discharge program for those wishing to complete courses of study began in the military. Expanded educational opportunities would help attract a cross section of American youth into the military, while continuing to upgrade and provide promotional opportunities to military personnel at all levels who seek a military career.



Education

The combination of recession and inflation have taken a severe toll on American education. Mounting costs have affected the schools as they have affected all other aspects of life.

Austere state and federal budgets have resulted in reduced support for education. Many state universities are facing increased costs with reduced operating funds. A similar situation is taking place in elementary and secondary education, and the inevitable result has been an erosion of the educational opportunities which were established under the Kennedy and Johnson Administrations. The problem has been aggravated by the fact that neither the Nixon nor the Ford Administrations have shown any basic commitment to the support of quality education.

Administration budget requests for education have been consistently far below congressional authorizations. The prevailing view in the Administration appears to be that expenditures for education are a drain on the economy rather than an investment in the future. In keeping with this callous view, President Ford vetoed the education appropriations for 1976.

The situation has become so critical that tuition for higher education for 1975-1976 increased an average of 12 percent over the previous year and some states have actually been considering the possibility of charging tuition for students in public vocational high schools.

There is a further factor which is presently effecting education. The population explosion which followed World War II has abated. Because educational aspirations have risen, enrollment has continued to increase, but at a considerably lower rate than was characteristic of the 1960s. This declining rate of enrollment increase has created a new range of problems but also a new range of opportunities. New graduates of teachers' colleges are finding it increasingly difficult to obtain teaching jobs. There is disturbing evidence that school boards are seizing upon this

situation to take a harder line on collective bargaining with teachers and other school employees.

The slowdown in enrollment growth has been too frequently used as an excuse for drastic reductions in school expenditures. Actually, the decline in the birth rate has presented America with great educational opportunities which must not be wasted. The new availability of both teachers and classroom space provide this country with an excellent opportunity to begin long overdue programs in early childhood education and in adult education. These are both areas in which the AFL-CIO has long urged expanded state and national efforts.

There has been much current emphasis in the schools on "career education." In an effort to make the development of career education realistic and meaningful, the AFL-CIO nationally and its affiliated unions and state federations have been deeply involved in planning activities. The active involvement of labor in the earliest phases of planning is essential if career education programs are to be successful. In an unfortunate number of situations, employers have been invited to participate in career education planning but unions have not. In other instances, it has sometimes appeared that it was not labor's advice which has been wanted so much as its seal of approval.

Labor representatives have effectively expressed their concern with this narrow approach to career education. Some of the most blatantly misguided career education proposals have been shelved, among them "the employer-based model of career education," a plan which was strongly opposed by the AFL-CIO.

Labor has warned against permitting vaguely thought through career education plans to convert the schools into simply job training institutions. Relating education to the world of work is important, but it is equally important that education be related to preparing students for the demands of citizenship, for their future roles as members of their families, and for the fullest development of their human potential. Although most of the official spokesmen for career education pay lip service to this principle, their actions do not always follow their rhetoric.

Considering the importance which has been placed on career education, it is a remarkable fact that it has received almost no funding in its own right. Schools everywhere are building "career information centers" out of free literature, a very undependable way of gathering reliable information.

What money has been available for career education has been largely taken from discretionary funds appropriated under the Vocational Education Act. This means that to the extent that career education prospers, there is less money for vocational education.

Equally alarming has been the continuing efforts of the Departments of Labor and Health, Education and Welfare to explore ways to relax child labor laws and minimum wage laws

for teenagers. This raises a serious question whether employers are interested in career education to prepare students for the world of work or whether they are looking for a cheap workforce.

Many of the career education programs so far developed would force young people into making long-range career decisions early in their lives. Given rapidly changing technologies, it is essential that education prepare people for maximum flexibility rather than locking them into irreversable decisions. We must expand their career options, not narrow them.

The Elementary and Secondary Education Act of 1964 represented a major federal commitment to share in the financing of education. It has provided funds for a wide variety of needs which had been neglected by state and local governments—compensatory education for the economically disadvantaged, bilingual education, education for the handicapped, and much more.

The Nixon Administration was never happy with ESEA and it launched an effort to combine all of the special ESEA funds, plus all of the funds in the Vocational Education Act, into a single block grant to the states to spend as they saw fit. This, of course, would have put the money in the hands of those whose past failure to act created the need for the federal legislation in the first place. The AFL-CIO has firmly opposed the consolidation plan and the plan has made little progress in Congress.

Not to be discouraged, the Ford Administration proposed the consolidation approach for vocational education. There was so little congressional enthusiasm for the Administration's bill that Rep. Albert Quie (R-Minn.), ranking Republican on the Labor and Education Committee, only agreed to introduce the bill "on request."

The AFL-CIO testified in congressional hearings against the Administration proposal and in support of the extension of the Vocational Education Act with the addition of a larger funding authorization.

The present economic crisis has had a particularly hard effect on higher education. Increased costs and reduced government and private financial support have forced tuition to all-time highs. Young people from workers' families have been particularly affected. Wealthy families are able to afford the tuition and low-income families deservedly benefit from a variety of federal assistance programs. For young people from workers' families, there is little in the way of student aid available. The gap has widened between the ability to finance a college education and the actual cost.

The AFL-CIO has argued over the years that low or free tuition is the best form of student aid. A number of reports, notably that of the Carnegie Foundation, have argued that tuition should be increased to something near the actual costs of education and that student aid should be provided for low-income

families who cannot afford the costs. The AFL-CIO has opposed these suggestions and urged adequate federal and state funding of higher education to keep tuition at a minimum. The AFL-CIO has participated actively in a recently-organized National Coalition for Lower Tuition, a group consisting of both education organizations and citizen groups.

An educated citizenry is a national asset and the costs of that education should be paid by society rather than by the student and his family.

Labor Education

Throughout the years, the AFL-CIO has supported the development of community colleges largely because they provide post-secondary education within commuting distance of the students and thus make higher education accessible for more potential students.

Recently, a number of community colleges have begun to provide labor studies programs. This is a development which the AFL-CIO welcomes. Occasionally, however, these programs have been hastily designed and staffed by people who lack knowledge about the labor movement and its needs. As with the labor extension programs in the four-year colleges and universities, the labor studies programs of the community colleges need close monitoring. They should have labor advisory committees, and they should be staffed by faculties which are thoroughly familiar with the labor movement.

Adult education has been growing rapidly in recent years with union education constituting one of its largest and most significant segments. There has been a renewed interest in federal legislation to fund labor education activities in the state colleges and universities. Cooperative efforts between labor and institutions of higher education have led to a number of college degree granting programs through university labor education centers. The AFL-CIO, itself, offers similar opportunities through the Labor Studies Center. It has, by now, become generally accepted that learning is not simply for the young, but that it is a lifelong experience, extending even into the years of retirement.

Trade union leaders throughout the country are now seeking ways to validate their previous trade union and other life experience toward some college credit. The American Council on Education's Commission on Credit and other higher education agencies have taken an early initiative in supporting this effort. If successful, it would hold great promise for those aspiring to a degree credential.

As education interests in the labor movement expand, attention should be paid to the role of state and local central labor bodies in activating their own programs. Some 142 local central bodies now have active labor education committees which design and sponsor programs unique to their local education needs.

Considering the total number of organizations in this group, considerable organizational work lies ahead.

On national, state and local trade union issues, labor education programs can be the catalyst between union policy and implementation. Programs such as the General Board's Action Program are an example of this. This concept should be further developed by the AFL-CIO Committee on Education. The objective would be to further strengthen the legislative impact on the labor movement at all levels on public issues important to trade union members.

New techniques to help adults learn have been developed through government and university research projects. Union educators should acquaint themselves with these developments with an eye toward updating their approach toward new methods and techniques in the teaching of the members, local officers and staff in labor education subjects. The AFL-CIO Department of Education should disseminate useful material on this subject as often as practicable.

The AFL-CIO Labor Studies Center

The AFL-CIO Labor Studies Center, entering its seventh year of operation, began residential programs at its new 47-acre campus in Silver Spring, Md., a year ago. The formal dedication was held in November 1974.

The center now has complete residential facilities, including conference rooms, housing, food service and limited recreation. The residence hall has 44 rooms with beds to accommodate 56, and a second residence hall, under construction, will provide a total of 100 rooms to house a maximum of about 120 persons. The latter facility will probably be ready for occupancy in the Fall of 1976.

Since the last convention, the center has run approximately 90 programs for about 2,000 full-time union staff and elected officials, in addition to programs which particular international unions have run on their own using center facilities. These programs can be scheduled by international unions if space is available and provided they pay for the out-of-pocket expenses incurred in running the programs. The center has also cooperated with a number of international unions in running education programs, assisting in program planning and providing instructional staff.

Subjects included in the center catalogue range from basic union courses in labor law, arbitration, collective bargaining and negotiated benefits to broader topics such as economic policy issues, civil rights, women in the labor force and unions and cable TV.

Special topics are also scheduled as the need arises. For example, in 1973-74 a series of programs was run with the Human Resources Development Institute on manpower legislation and

its impact on local communities. This past year, special programs were run for labor trustees of multi-employer pension funds, in response to the new pension reform legislation.

A college degree program for union staff and officials has been established with Antioch College and has been in operation for a year and a half. Some 30 students are enrolled in the program, which leads to a Bachelor of Arts Degree in Labor Studies awarded by Antioch College.

The trade union students are awarded credit based upon their prior union experience and their ongoing work in union jobs, as well as for previous college work and formal apprenticeships. A degree plan is prepared for each student to aid in progressing towards the degree at a steady pace. Once every six months, each student is required to attend a one-week session in residence at the Labor Studies Center for classroom work, evaluation and counselling. The rest of the work is done in the home community. Detailed information on the program is available upon request.

An art and theater program has also been established. Using a grant of funds from the National Endowment for the Arts, the center has gained experience in presenting cultural activities for the benefit of the students as well as for union members and the general public. These activities include several exhibits of nationally known artists, workers art and art of the depression years. An artist-in-residence program is also under way.

Using a small classroom as a theater, a number of musical and dramatic performances have been presented. While the quality of the performances has been high, an extra dimension is added when, as is usual, the performers end their programs with discussions of their art as work and their experiences as union members.

Council Recommendation

An educated citizenry is a national asset. For democracy to flourish, it is vital that educational opportunity be maximized for all citizens, regardless of age or family income. Therefore the AFL-CIO will:

1. Continue to press for adequate federal, state and local expenditures to insure the health of American education at all levels from elementary schools to post-secondary schools;

2. Support extension of the Elementary and Secondary Education Act without substantial consolidation of funds into block grants;

3. Support the continuation of the Vocational Education Act with substantially increased funding and with the special programs established under the act maintained intact;

4. Continue to press for federal and state financial support for higher education with tuition sufficiently low to make higher education feasible for workers' children;

5. Continue to encourage the growth of adult and on-going education throughout the United States;

6. Continue its efforts to assist two-year post-secondary institutions in the development of labor studies programs with serious participation of trade union educational leaders in the development of program design and curriculum. Moreover, the AFL-CIO will press for the inclusion of qualified trade unionists to serve as instructors in trade union subjects at these institutions. We will continue to coordinate and support those programs now underway and to provide technical assistance to programs developed by affiliates.

Labor's Bicentennial

Council Recommendation

In view of our commitment to recognize and pay tribute to America's 200th birthday, we urge all AFL-CIO affiliates, state and local central bodies, to begin plans to join in and actively participate and support bicentennial programs.

A variety of activities that illustrate the great positive contributions of the working American to the growth and development of this country have been planned for labor's bicentennial celebration.

Labor's bicentennial year was officially opened with a Salute to Labor and the Performing Arts at Wolf Trap National Park, Virginia, on Labor Day 1975. This occasion was noted with a special bicentennial address by President Meany. Other programs designed to bring labor's heritage and accomplishments before the nation in 1976 include:

1. Participation in a 12-week Folk Life Festival on the National Mall in Washington, D.C. Working Americans is one of the four major segments of this festival sponsored by the Smithsonian Institution and the National Park Service. Millions of visitors to the nation's capital are expected to visit the bicentennial festival.

2. Support of regional Working Americans festivals throughout the country, similar to the one to be sponsored by the Philadelphia Central Labor Council for Independence Mall, Labor Day 1976. This festival will officially conclude labor's bicentennial year celebration.

3. Promotion of a labor history exhibit designed to depict the history of American working people from colonial times to the present will be available for the regional festivals. This exhibit has been produced by a coalition of the Department of Labor, the Smithsonian Institution and the AFL-CIO.

4. Sponsorship of the American Issues Forum as part of a

national dialogue on topics of particular concern to all Americans developed by the National Endowment for the Humanities.

5. Participation in the Bicentennial Youth Debates program which will feature nationwide debating forums for all young people both in and out of school. The debates will center on the same topics featured in the American Issues Forum.

We strongly urge our affiliates and state and local central bodies to participate fully in these and other bicentennial projects throughout the country.

The AFL-CIO pledges to make the bicentennial year a memorable one for American workers and their families.

Community Services

There is no substitute for a job. Still, when no jobs are available, people must be fed, clothed, housed and healed as a community responsibility.

Meeting the immediate needs of the unemployed, therefore, became the first priority of the AFL-CIO Department of Community Services when widespread unemployment struck the country. While the nation was debating economic theories and legislative responses, the department went to work, nationally and locally, to review the problems of the unemployed, determine their immediate needs, pinpoint available social services, establish referral and follow-up procedures, train union counsellors and foster the improvement of programs and services when necessary.

The principle that a union has a responsibility to its unemployed as well as to its employed members led the department to enlist cooperation of governmental, voluntary and private agencies in joint efforts to provide assistance in such areas as housing, medical care, legal aid, family counselling, income maintenance, debt management and recreation. Union halls were offered as emergency centers for the processing of unemployment compensation claims as well as for the certification of applicants for public assistance and food stamps. Union men and women volunteered to help public officials to speed up the process.

As a result of some 60 local conferences between union and agency representatives and a March 19, 1975 national conference which brought together 23 national governmental, voluntary and private agencies with union representatives, two major efforts are taking shape:

First is the creation of local task forces—coalitions of voluntary and public organizations, including church organizations—to promote and coordinate efforts to provide for the special needs of the unemployed.

Second is the allocation by the several agencies directly concerned, including the United Way, of special funds for emergency assistance.

During this period, some 130,000 Vietnamese refugees entered the country from Guam and Wake Island to Camp Pendleton, Fort Chaffee, Eglin Air Force Base and Indiantown Gap Army Reservation.

Drawing on its experiences with the Hungarian escapees in the 1950s and the Cuban refugees in the 1960s, the Community Services representatives immediately visited all camps and established a working relationship with all governmental and voluntary agencies responsible for resettlement.

AFL-CIO affiliates were asked to contribute to the resettlement program and to cooperate with the sponsoring agencies, including the U.S. Catholic Conference, Church World Service, United Hebrew Immigrant Aid Society, International Rescue Committee, Travelers' Aid, Tolstoy Foundation, American Council for Nationalities Service, Lutheran Immigration and Refugee Service and others.

To aid these refugees, the Community Services Department is:

1. Working with governmental and voluntary agencies in community integration, finding jobs and social services.

2. Consulting on all labor-related matters with all governmental and voluntary agencies directly concerned.

3. Acting as a central point-of-contact for AFL-CIO affiliates and members on matters relating to the refugee program.

4. Making special contacts and providing special services to Vietnamese trade union leaders.

In addition, the department is seeking to prevent exploitation of the refugees by unscrupulous employers, merchants and landlords, including the use of refugees as strikebreakers or in violation of union contracts, rules and regulations.

President Meany is a member of the President's Advisory Committee on the resettlement of refugees.

The employment and integration of Vietnamese refugees will not contribute to America's unemployment problem. Their number is only "a drop in the bucket" in a country with a labor force of more than 92 million. The Vietnamese refugees and their skills will add to the splendid diversity of this nation of immigrants.

The Department of Community Services was also responsible for the involvement of citizens in energy conservation and anti-inflation programs. The President's WIN campaign was ill-conceived and ill-timed. However, it was based on a sound principle. The involvement of the American people, freely and voluntarily, in campaigns to conserve energy and to reverse the high cost of living is essential to the success of any legislative program.

The WIN program did not succeed because it relied entirely on voluntary effort. It was announced prematurely, before the committee had a chance to organize, and it relied more on slogans and buttons than on substance.

Still, the need for citizen involvement in energy conservation is more necessary today than ever before. With this in mind, the Community Services Department led a move to save the National Citizens' Action Committee (originally WIN), by integrating it as a special continuing project, funded by the Federal Energy Administration among others.

To keep the program alive, AFL-CIO central labor bodies and their community services committees were urged to initiate local conservation programs, encourage others to do so, and participate in plant-wide and community-wide projects.

The American Blood Commission is an organization brought about largely as the result of AFL-CIO action. Since the Executive Council called in 1971 for "a nationally controlled blood program . . . which would insure adequate quantities of volunteer blood," the American National Red Cross, the White House and others have responded in favor of a national blood policy designed to eliminate "commercialism."

The Department of Health, Education and Welfare appointed an ad hoc committee, on which the AFL-CIO was represented, to develop effective organizational machinery to implement a national blood policy. Through heated discussion, compromise, reluctant consensus and many crossed fingers, this committee brought forth the American Blood Commission.

It is possible, of course, that the commission may achieve one voluntary, noncommercial, high-quality blood system, but its history of compromise leads one to suspect that this new effort may once again result in failure to meet a major health need of the American people.

The AFL-CIO position is based on three major concerns—moral, medical and economic.

- It is morally unacceptable for a humane society to permit the sale of human tissue, such as blood.
- It is medically inexcusable for an advanced society to permit the sale of high-risk, commercially-bought blood which causes sickness and death among thousands of its citizens.
- It is economically unsound in any society to sustain competing blood banks with complicated bookkeeping and credit systems as well as high prices for the blood itself.

Low-risk blood should be made available, free of charge, to all who need it. With some effort, enough volunteers can be motivated to give blood without compensation.

However, if the American Blood Commission fails to achieve these objectives, it will not deserve the support of the American people. And there will be no alternative but for Congress to act.

Much more promising is another agency which the AFL-CIO helped to come into being. This is the National Resource Center for Legal Services. It is a representative organization designed to develop, guide and evaluate prepaid legal aid plans. It complements the National Consumer Center for Legal Services which

was established with AFL-CIO help some three years ago to lobby for amendments to the Taft-Hartley Act to permit collective bargaining for legal services. Since the act was finally amended, the door was opened to free choice of plans including closed panels. While some state laws and some administrative regulations must be eliminated or amended to permit the establishment of effective prepaid closed-panel plans, the major hurdle has been cleared.

The Resource Center, funded by the Ford and Carnegie Foundations, will soon be in a position to provide guidelines, forums, standards and criteria, plus consultation and evaluation—all of which are essential to successful development of effective prepaid legal service plans.

A major program for serving human need is the AFL-CIO's strike assistance activities. It is based on the sound principle that in troubled times people must be helped on the basis of need, regardless of the cause of that need. This principle applies to needy strikers and their families.

For many years most Americans supported this concept. They still do, except for the U.S. Chamber of Commerce, the National Association of Manufacturers and their right-wing cohorts. Several years ago, these organizations initiated a concerted drive to deny all forms of public assistance to needy and otherwise eligible strikers and their families. They went to Congress, state legislatures, courts, media and even academia to find friends and influence people.

This campaign to deny help to needy men, women and children resulted in some close votes in Congress on food stamps, in current litigation on unemployment compensation in several states, and in several hostile administrative actions by the U.S. Departments of Agriculture and HEW. They sponsored publication of an anti-union diatribe, masked as a work of scholarship under the imprint of the University of Pennsylvania Press. The Chamber of Commerce subpoenaed the director of Community Services as part of a fishing expedition into department activities and its relationship with the United Way of America, and financed a continuing drive to destroy this relationship.

All these anti-union efforts of the Chamber and the NAM are being counteracted by the department, affiliates and the AFL-CIO itself.

Community Services embraces a variety of human needs and problems. One is alcoholism, recognized in recent years as a disease. Alcoholism affects millions of Americans, including workers and their families. It is a disease of major proportions—killing, maiming and debilitating people in their homes, on the highways and in mine, mill and office.

With the pioneering help of Alcoholics Anonymous, the National Council on Alcoholism and the National Institute on Alcohol Abuse and Alcoholism, Americans are beginning to come to grips with alcoholism, its detection, prevention and treatment.

While not much is known about the causes and cures of alcoholism, almost everything is known about its consequences. To reach alcoholics and incipient alcoholics on the job and to help them recover—without firing them or covering for them—has become increasingly a major concern of many enlightened companies and interested unions.

To help them do the job more effectively, the AFL-CIO has cooperated with NCA, NIAAA and other groups to develop programs designed to promote union-management committees on alcoholism in every plant; develop referral and follow-up procedures; encourage community treatment and rehabilitation facilities; provide insurance coverage; assist the families of alcoholics; keep the alcoholic, whenever possible, on the job or retrain him for another job, and guide all parties, through whatever procedures they agree (including collective bargaining, grievance machinery and arbitration) in the direction of prevention and treatment.

A major boost to this program was the creation last year of a top-level labor-management advisory committee to NCA, cochaired by President Meany and James Roche, former board chairman of General Motors. NIAAA funded the labor-management program of NCA for a period of three years. This will permit the appointment of full-time labor and management representatives in ten selected communities to develop local model and demonstration programs.

Another health problem which has affected Americans in recent years is drug abuse. To determine the extent of drug abuse in industry, the Department of Community Services, through the American Social Health Association, concluded a two-year demonstration project this summer. The project, which was funded by the National Institute on Drug Abuse, was conducted at the following three sites: Ideal Corporation of Brooklyn, New York—Local 463, I.U.E.; S & S Corrugated Paper Machinery Company, Inc., of Brooklyn, New York—District 15, IAM, and Standard Plastics Products, Inc., of South Plainfield, New Jersey—Local 42, ILGPNWU.

The joint labor-management program in drug abuse began with data collected by the Oliver Quayle Polling Company. The data suggest that a relatively small proportion of workers (approximately 5 percent) presently use illegal drugs. A higher percentage (20 percent) have family members who use or abuse illegal drugs. Relatively few individuals interviewed, including those who participated in the seminars, had accurate knowledge of the effects of drugs. An even smaller percentage were aware of the differences between addictive and nonaddictive drugs. Few knew how to deal with an addicted person or how to get help. It was obvious from the seminars that both labor and management were equally ignorant of drugs, which often leads to unequal and punitive company policies.

A national conference was held in May, bringing together

labor, management and federal agencies involved in drug abuse programs. The data was presented to give all a better understanding of the prevalence of drug abuse. Experience in training referral counsellors and in evaluating existing social services, as well as in dealing with policy questions, was discussed. Further studies and more counsellor training for education, prevention, treatment and rehabilitation are being planned.

Crime is another major problem. People are afraid to walk the streets at night and lock themselves up in their own homes. There is no single cause or cure for crime, but there are many tragic consequences to this society. Working with the National Council on Crime and Delinquency, the Department of Community Services has five liaison representatives working full-time across the country developing union participation in the criminal justice system, in prison, parole and probation reform, in police-labor relationships, and in prisoner rehabilitation.

This program, funded by the Law Enforcement Assistance Administration and ACTION, has resulted in a number of continuing projects and unique actions in several communities. There are five AFL-CIO representatives on the board of directors of the National Council on Crime and Delinquency.

During the past two years, the Community Services program has also worked on an experimental project on labor involvement in the arts in Pennsylvania; establishment of the George Meany Award for distinguished union scouting activities; development of scouting programs in six international unions; incorporation of union community services agencies in 21 communities, some of them funded by the United Way; involvement in many public and voluntary organizations, including the current monumental study of philanthropy in the U.S.; continuing development of consumer, health and welfare counselling programs; disaster relief services and first aid programs in cooperation with the American National Red Cross; day and child care activities and others.

Community Services is increasingly important to the labor movement and to the community as a whole, because no union contract covers all of our members' needs and because all of our members are first and foremost citizens of their communities.

Safety and Occupational Health

Enactment of the Occupational Safety and Health Act nearly five years ago was a long step forward toward achieving the goal of a safe and healthy workplace for every American worker.

Workers knew that no law was going to save a single life or prevent a single accident if the intent of Congress was not translated into action in the shop and on the job. But, while progress has been made since the law was passed, it has been a very frustrating five years.

The hopes of workers that this law—enacted to stop the carnage in the workplaces of America—would be effectively implemented and strictly enforced were shattered by the Nixon Administration.

For every hopeful sign—such as the new awareness of job safety and health on the part of employers and employees—there is the tragic reality that the record could be far, far better and many lives could have been saved.

When Richard Nixon signed OSHA into law, he promised to assign the highest priority to its implementation. Workers, while skeptical of this pledge, were relieved that the 10-year legislative fight had finally borne fruit. Few were ready for a Nixon-style priority: Starvation budgets and efforts to turn OSHA into an instrument to increase business support for the Committee to Re-Elect the President (CREEP).

Even when his presidency was in its death throes, Richard Nixon lashed out at this law to protect workers by ordering economic impact statements on occupational safety and health standards. It was a final bow to those who had supported him and made crystal clear the priorities of his discredited Administration—dollars first; human lives last.

At its February 1975 meeting, the AFL-CIO Executive Council issued a 13,000-word report on OSHA's first four years of

operation. "It is not pleasant reading," the council said, citing three main points from the study:

"1—OSHA has not received sufficient funding to properly administer the law. President Ford's proposed fiscal 1976 budget for OSHA merely allows for increased inflation. It does not provide for expansion or strengthening of programs. It is grossly inadequate.

"2—The Nixon Administration purposely watered down enforcement of the Act for political purposes and that watered-down standard of enforcement continues today.

"3—Safety and health standards are not promptly established as the law requires. Endless delays in the hearing process and the promulgation of effective standards, and the failure to properly enforce the few standards which have been promulgated, literally costs workers their health and their very lives."

The jury is still out on the Ford Administration's implementation of OSHA. As this report is written, there is only one indicator—the appointment of a highly qualified person to fill the vacancy created by the retirement in 1974 of the director of the National Institute for Occupational Safety and Health.

But much more is needed than the appointment of one qualified individual. The Administration must be committed to the law, zealous in its enforcement and dedicated to the goal of a safe and healthful workplace for every worker.

This will require changing a pattern of administration designed to frustrate that goal. For example:

- The policy of dumping federal responsibilities on the states for development and enforcement of occupational safety and health plans must be reversed.

State plans that were approved were not as effective as the federal program. Presently there are 20 states with operating OSHA plans covering about 25 percent of all workers covered by the law. Only three—Michigan, California and Indiana—are major industrial states.

Early this year the governors of New Jersey, New York and Illinois withdrew their state plans. Following refusal by the Wisconsin legislature to appropriate funds to continue its OSHA program, the governor withdrew the state plan. The Colorado legislature has also voted not to fund its OSHA program.

OSHA plans for 13 other states have long been under review by the Assistant Secretary of Labor for OSHA. But, in each of these states, organized labor has been responsible for preventing passage of enabling legislation which is essential to their approval. Thus, plans in Texas, Mississippi, Arkansas and Massachusetts have been formally or informally abandoned and there is little possibility of approval in the other states.

AFL-CIO opposition to state plans has intensified since the last convention. In early 1974, the AFL-CIO, the Industrial Union Department and the Illinois State AFL-CIO brought suit

in federal court seeking to stop further implementation of state plans. Although the initial ruling was unfavorable, an appeal is under study.

• Starvation budgets for OSHA must be greatly increased, and the indefensible policy of more funding for state programs than for the federal effort must be stopped.

Only 869 OSHA compliance personnel were in the field as of April 1975—or one for every 67,900 covered workers. Additional compliance funds appropriated by Congress for fiscal 1976, plus money reprogrammed from states withdrawing their operating plans, would provide a total authorization for 1,495 inspectors and industrial hygienists. This is still far too few.

NIOSH has complex and far-reaching responsibilities particularly for research for the development of health standards proposals, hazards evaluation and manpower training. Yet the fiscal 1976 budget request is virtually the same as for pre-OSHA days. As a result, more than 100 skilled positions would have to be cut.

Fortunately, the Congress saw the false economy in President Ford's request to impound $4.5 million appropriated for NIOSH for fiscal 1975 and rejected it.

NIOSH needs more funds to carry out its awesome responsibilities. About 100,000 workers die each year from occupational illnesses. Nearly 100,000 chemicals have some kind of health effects, with 13,000 listed by NIOSH. Yet standards have been recommended for only 46 and only three standards have been promulgated. No standards exist for 1,300 known industrial carcinogens.

The Department of Health, Education and Welfare, parent agency for NIOSH, has wiped out an important NIOSH manpower training program despite a study showing the need for 48,000 occupational health personnel.

The AFL-CIO, the IUD and various unions have pressed OSHA and NIOSH to speed the process of developing health effects criteria leading to standards for industrial carcinogens an other toxic materials. This is the only way to curb the mounting death toll from occupational health hazards.

The landmark court ruling upholding the OSHA standard on vinyl chlorides is only a first step.

• Federal enforcement continues weak. Too many complaints go too long without response by OSHA. Only about .01 percent of all employer citations are for serious violations, with one in four workplaces found to be in compliance. Less than three-tenths of one percent of all inspections have covered agricultural workplaces. The average recommended civil assessment per inspection is less than $71 and the Occupational Safety and Health Review Commission grants nearly 90 percent of the applications by employers for modification of abatement periods in contested citation situations.

• The Review Commission is an ineffective adjudicatory body. With mounting backlogs of contested citations; an astoundingly pro-industry record in the cases it handled; and torn by internal dissension resulting from a chairman who is hostile to the act itself, it has become an impediment to proper enforcement.

• The Office of Management and Budget is attempting to handcuff OSHA's standards development program by requiring an "inflationary impact" statement be prepared before any action can be taken on standards. Dollar costs to employers are given greater importance than saving lives and preventing injuries and illnesses on the job.

• Little has been accomplished to provide small employers with brief, simple guides for understanding the act and how a particular business should go about getting into compliance with applicable standards. This failure has made it easy for right-wing demagogues to convince small business management to join in the avalanche of anti-OSHA mail, which for two years inundated the Congress and for a time seriously threatened the integrity of the entire program.

• OSHA has also delayed development of safety standards. In addition, it has proposed or promulgated weakening amendments to existing safety standards—for example, on grinding wheels, telecommunications, employee-related housing, power presses and occupational noise.

The AFL-CIO and the Industrial Union Department recently brought suit asking a federal court of appeals to order further hearings on the amended OSHA power press standard. This amendment removes the requirement for employers to install equipment preventing an operator's hand from getting into the die of a power press while in use. Labor has been joined in this suit by the National Machine Tool Builders Association.

In addition to inadequate resources and distorted implementation of the act by OSHA, there are gaps and weaknesses in the law itself:

1—Federal and non-federal public employees are not provided with the same kind and extent of coverage as those in the private sector, yet many are faced with much the same job-related safety and health hazards.

2—A large number of federal occupational and/or health programs are still scattered throughout the federal establishment, involving some 300,000 workers, representing waste and duplication of resources and conflicting jurisdictions, as well as inadequate protections for employees.

3—The AFL-CIO has urged without success that the act require testing and labeling of toxic materials before they entered or were allowed to remain in use in industry. This omission perpetuates worker exposure to toxic chemicals.

4—The act does not forbid employers from deducting pay from workers or employee representatives for time spent with

an inspector during an inspection, thus exerting a chilling effect on the use of the employee walk-around section of the law.

5—Employees and their representatives may contest a citation only on the grounds of the proposed length of an abatement order.

6—Compliance officers must obtain a federal court order before they can prohibit employees from working where an imminent danger has been determined.

Even with all of the frustrations that have characterized five years of OSHA, the existence of the law has, of itself, stimulated a number of substantial improvements in the protection of workers from job-related safety and health hazards:

- Thousands of employers, large and small, are making conscientious efforts to comply. Thousands of safety and health specialists have been hired by business management. Estimates of capital expenditures by business and industry for compliance are in excess of $2.5 billion per year. Moreover, employers and their trade associations are undertaking a wide range of programs to educate and train management personnel in understanding their protections and responsibilities under the law.
- Organized labor, coordinated by the AFL-CIO, has developed and conducted educational and training courses for an estimated 750,000 members at the plant level. There are 37 unions affiliated with the AFL-CIO which now have one or more persons assigned to occupational safety and health programs. Health professionals have been hired or extensively used as consultants. Grants for major training and research programs have been received from both OSHA and NIOSH by several unions and departments of the AFL-CIO.
- A growing number of unions are proposing and obtaining stronger and more sophisticated safety and health protections for their memberships through collective bargaining—a movement stimulated by enactment of the Occupational Safety and Health Act.
- There is some evidence that OSHA's federal compliance program is beginning to firm up. As a result of continued pressure by organized labor, individuals with union backgrounds and previous experience in the safety field are being qualified by the Civil Service Commission and added to OSHA's compliance force. They now account for nearly one of every four inspectors as of April 1975. Two special task forces have been placed in the field to process complaints by workers over alleged employer discrimination. Time lapse between inspections and citations has also been significantly reduced.
- Many of the nation's leading occupational and environmental health specialists have allied themselves with labor to provide more adequate research on health effects criteria derived as a foundation for effective OSHA health standards, to participate on OSHA standards advisory committees, to assist union

in administrative hearings on proposed health standards and to analyze proposed health standards.

Council Recommendation:

It is time the federal government lived up to the promise inherent in the Occupational Safety and Health Act of a safe and healthy workplace for every American worker. There must be no more administrative delays, either for lack of funds or for lack of commitment by the Executive Branch.

The following specific actions must be taken:

1. Congress should sharply increase its financial support to carry out the policy goals it set forth in the law. This would mean a compliance force of 2,500 federal inspectors and industrial hygienists, as an interim goal, by the end of fiscal year 1977. Additionally, there must be increases in manpower for training, statistics and standards development. The National Institute for Occupational Safety and Health must have adequate funds to recruit qualified personnel, expand its scientific research, construct a modern laboratory, more rapidly develop health effects criteria on toxic materials, and conduct manpower training programs to meet the occupational needs of government, industry, unions and the academic community.

2. There should be full federal preemption of promulgation and enforcement of occupational safety and health standards in all states. Programs outside of these two areas should be financed on approval of adequate state plans by a federal grant-in-aid program.

3. Coverage of the act should be extended to all workers, including those employed by state, county and municipal governments.

4. Compliance officers should be permitted to issue on-the-spot orders prohibiting employees from working where there is an imminent danger.

5. NIOSH should be transferred from the Department of Health, Education and Welfare to the Department of Labor.

6. Employee representatives and other employees spending time with an inspector during an inspection should not be required to lose any time or pay.

7. Employees or their representative should be allowed to contest citations on the same grounds as those permitted employers.

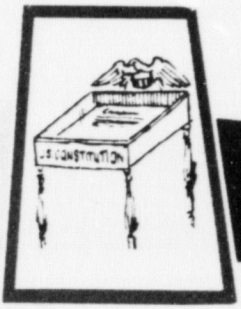
Further, the AFL-CIO:

- Supports legislation which would transfer responsibility for occupational safety and health of railroad workers under the Federal Railway Safety Act from the Department of Transportation to the Department of Labor.
- Strongly endorses the Toxic Substances Control Act now awaiting action in the Senate. With the amendments proposed by the AFL-CIO, workers would be given added protection from exposure to both new and existing chemical substances. NIOSH

and OSHA would be assisted in identifying and developing standards with information received from the Environmental Protection Agency. Overlapping and jurisdictional conflicts between EPA and the Departments of Labor and HEW would be avoided.

- Urges that the labor committees of both the Senate and the House continue their oversight of the implementation of the OSHA Act. We urge that particularly close scrutiny be given the Occupational Safety and Health Review Commission.

Finally, we commend the new Secretary of Labor for undertaking an administrative and policy review of the OSHA program. We sincerely hope that this undertaking will result in constructive policy and program changes fully responsive to the goals of the act.



Civil Rights

Since Congress passed the Civil Rights Act of 1964 and President Lyndon Johnson signed it into law on July 2, 1964, its widespread, positive effects on social behavior and employment practices in this country has been heartening.

It became law at a time when many symbols of racial discrimination remained, such as water fountains marked "white" and "colored." Blacks and other minorities were denied hotel accommodations and meals in restaurants solely because of their race or color. Libraries, public parks, swimming pools and other government-owned facilities were also segregated. In employment, most low-paying jobs were relegated to minorities and women, and very few blacks held public office.

With implementation of the various titles of the Civil Rights Act of 1964, many of these symbols of discrimination vanished within a decade and, hopefully, remain relics of the past. At the present time, most jobs are no longer designated on the basis of race and sex. Lines of progression and seniority rosters are devoid of racial and sexual designations.

The entree to higher job classifications through upward mobility programs grew at an accelerated rate until equality of aspirations and opportunity became a victim of the economic mismanagement that cast America into a depression.

There can be no denial that some slippage has occured in civil rights progress. A number of important social programs, enacted during the Kennedy-Johnson years, were dismantled by the Nixon Administration through callous vetoes and heartless impoundments of congressional appropriations. Discriminatory allocation of revenue-sharing funds at the state and local levels has likewise had a negative impact on much-needed social programs.

Therefore, it is important to make sure that local and state governmental agencies disburse and allocate revenue-sharing

funds in a non-discriminatory manner. The labor movement should concern itself with the programs for which these funds are allocated, and seek to preserve those social programs beneficial to the poor, minorities, elderly and handicapped.

Jobs and Manpower Training

Depression-level unemployment has hit all workers, but is particularly devastating in its impact on minorities and women. The unemployment rate for blacks at this writing was a frightening 14.6 percent and certain to go higher and remain high for many months to come. The official figure for unemployed black teenagers was an alarming 40.2 percent.

In spite of the economic crisis, some progress has been made in civil rights, but much more remains to be done. Minorities cannot get a room in the inn, or put food on the family table, or send their children to school properly clothed, unless they have jobs. Jobs are important to everyone. Therefore, full employment is as essential to fulfillment of civil rights as it is to a healthy economy.

The problems of blacks and whites are not the same in 1975 as they were in 1963. Today's problems have little to do with racial attitudes and prejudices. Blacks and whites share concern about crime. Both races are emphatic in their feelings about law and order. Mutual concerns among both blacks and whites include housing, drug addiction, transportation, education and, above all else, jobs.

Emergency unemployment legislation enacted by Congress in late 1974 in order to create thousands of public service jobs has been grossly underfunded, perpetuating atrocious inner-city jobless rates. The government must become the employer of last resort for all workers—of all colors, at any age, for both sexes. The AFL-CIO has been in the forefront of those calling for full employment in this country. We recognize that this nation has the manpower to work and the technology to open the job market. What is needed is governmental leadership to achieve full employment.

The affluent have fled the cities, taking with them expansions of major industrial plants. This exodus to suburbia eroded the tax base of central cities, and many municipal governments are unable to provide some essential and necessary services. Rising unemployment also reduces tax revenue for local governments, forcing layoffs of civil servants, and among those hardest hit are minorities and women.

In the private section, plant closing and reduction of work forces affects all workers, including minorities and women.

The remedy proposed by friend and foe alike in order to curtail layoffs, especially as they effect women and minorities, is creation of alternatives to layoffs by seniority. These so-called alternatives include, among other things: Work-sharing im-

posed by law; "phantom seniority", and proportionate layoffs on the basis of race and sex not seniority.

The issue of layoffs by seniority is now before the U.S. Supreme Court.

Council Recommendation

The seniority system is a cornerstone of the American labor movement. It is a contractual right. Seniority itself is color-blind. American workers, regardless of race or sex, must not be compelled by government to surrender a portion of the work to junior employees. Workers must not be forced to accept alternatives to seniority unless the decision is a voluntary one, arrived at through the free collective bargaining process.

Therefore, the AFL-CIO pledges its total, emphatic commitment to the support of seniority systems that grant each member of the workforce his or her "rightful place." The AFL-CIO will also continue its unflagging opposition to any effort to dilute the rights of any employee by granting others preferential treatment.

We reaffirm our commitment to affirmative action programs designed to eliminate discrimination in hiring, training, upgrading and promotion, and urge our affiliates to utilize the services of the AFL-CIO Civil Rights Department when necessary for assistance in the implementation of civil rights policies and programs, including state and federal laws relating to equal opportunity. Further, we commend those affiliated unions with manpower training programs which assist in upgrading their membership for all job opportunities.

Apprenticeship and journeyman outreach programs, endorsed by the AFL-CIO and its building trades affiliates, have proven their worth in recruiting and preparing minority youths to enter the skilled trades. A new dimension was added to these programs in 1974 when women began to be recruited for skilled trades through these programs. Outreach programs are coordinated basically by three contracting organizations: the Recruitment and Training Program (R T P, Inc.) of the A. Philip Randolph Educational Fund Workers Defense League; the National Urban League Labor Education Advancement Program (LEAP); and the Human Resources Development Institute (HRDI). A number of other local organizations also participate in outreach activities. Currently, programs are functioning in 120 locations throughout the United States. The success of these programs depends largely upon the amount of construction going on in the community. Without a doubt, the depression in the construction industry has adversely affected these work-related programs.

Despite the present gloom, we must think in terms of a healthy economy that will create additional training and employment opportunities for young people desiring to become skilled in the building trades. It is essential, then, that we reaffirm our

commitment to provide opportunities for young people to enter the trades, regardless of race or sex. Thus we commend the efforts of R T P, LEAP, HRDI and other organizations in the implementation of outreach programs and for the placements they have achieved.

The struggle for a society free of discrimination based on race, sex, religion and national origin is a continuous one. It is a battle which must be constantly waged as a national endeavor until the last vestige of discrimination is eliminated. However, this country must be mindful of the progress made in the last decade through the efforts of government and voluntary organizations.

We in the AFL-CIO are proud of our involvement in the struggle for equal opportunity for all. Many problems remain unresolved largely because of continuing high unemployment. Full employment and civil rights go hand-in-hand. Without full employment, civil rights are empty indeed. America's twin problems of unemployment and discrimination are not resolved by pitting worker against worker for the right to be unemployed. That is why the best weapon against discrimination of any form is a healthy full employment economy.

Equal Employment Opportunity Commission (EEOC)

Fair employment practices was a national goal of the labor movement for many years prior to enactment of federal legislation. AFL-CIO civil rights policy for the elimination of segregated local unions, segregated lines of progression, seniority lists based on race, and providing full membership in unions and admittance to apprenticeship programs for minorities predates the Civil Rights Act of 1964.

Despite our commitment to assist in implementing Title VII of the 1964 law, the AFL-CIO has met stubborn resistance from the EEOC to providing adequate notice of alleged violations to the AFL-CIO Civil Rights Department and the respective affiliated union. National or international unions should be automatically advised by the EEOC when one of their locals is charged with a violation. Copies of charges should be provided to the parent union and the AFL-CIO Civil Rights Department to facilitate our efforts to achieve voluntary compliance. Failure to give adequate and expeditious notice is a major reason for the excessive backlog of unresolved allegations languishing in the Commission's archives.

The AFL-CIO Civil Rights Department and the EEOC have discussed the problem for 10 years. A tentative agreement was finally reached to conduct a pilot project to expedite the handling of backlogged cases and to develop a speedy procedure for investigating allegations and to provide remedies without

jeopardizing the charging party's rights to full relief under the law. But the proposed agreement was never considered on its merits by the EEOC.

The AFL-CIO Civil Rights Committee formed a subcommittee and called upon EEOC commissioners to indicate their concern about the ever-increasing backlog and the apparent indifference on the part of the commission.

It is our hope that this attitude of the commission majority will change immediately. The charging party is entitled to speedy relief under the law if the charge has merit. On the other hand, the respondents have the right to know the nature of the charges within a reasonable period of time.

Council Recommendation

The AFL-CIO commitment to fair employment practices predates the law itself. Title VII of the Civil Rights Act of 1964 requires the EEOC to seek resolution of complaints through the conciliation process before litigation. Yet unions are being bombarded by litigation, rather than conciliation by the commission. The manner in which this law is presently being implemented certainly reflects a lack of sensitivity toward unions on the part of the EEOC.

We call upon the commission to expand its conciliation efforts, reserving litigation for those respondents who refuse to comply with the law or who fail to recognize that all men and women are entitled to equal opportunity to earn a living.

We strongly urge the EEOC to provide unions and the AFL-CIO Civil Rights Department with the necessary information to develop a speedy procedure for investigation and achievement of voluntary compliance as suggested in the proposed agreement between EEOC and the AFL-CIO.

Further, we urge our affiliates to call upon the AFL-CIO Civil Rights Department to assist in matters involving EEOC and state commissions whose concerns are to eliminate discrimination based on race, sex, religion or national origin.

Women Workers

Women are entering the labor force in ever increasing numbers. The percentage of working women has doubled since 1930. There are now 36 million women workers, comprising 39 percent of the labor force. It is estimated that there are 4¼ million women in the trade union movement.

The majority of women work for the same reason as men—economic necessity. More than 22 percent of women workers are heads of households. In many families, women are forced to work because a second wage is required to meet economic needs.

Despite the economy's need to provide jobs that best utilize the interests, values, talents and skills of individuals regardless

of sex, women workers continue to experience discrimination in employment. Many are working in traditionally low-wage industries and occupations which are often unorganized. Eighty percent of women who work do not have the protection of a collective bargaining agreement.

Even when women perform the same jobs as men, they are frequently given less prestigious positions and receive lower pay. Women working full-time earn only an average of 60 percent of their male counterpart's salary. In fact, the large percentage of women earning less than a living wage is an important factor in the persistence of poverty in the U.S.

Historically, women have been viewed as second-class members of the labor force except in periods of national emergency. Many companies refused to hire women or to include women in apprenticeship and other training programs which would qualify them for higher paying jobs. This discrimination and the economic waste and injustice which it has produced is deplorable and must be corrected.

The labor movement has been in the forefront of the struggle to eliminate job discrimination and to obtain full enforcement of the principle of "equal-pay-for-equal-work." We have sought an enlightened public policy toward improving and extending standards in labor legislation, in education, in training, and in social programs for the benefit of all workers.

A major cause of continuing discrimination is the lack of adequate enforcement of federal anti-discrimination legislation. Many violations of the Equal Pay Act of 1963 are being evaded by means of job definitions and classification systems that perpetuate de facto sex discrimination. The strengthening of the Equal Employment Opportunity Commission, through the 1972 amendments to the Civil Rights Act of 1964, should be fully implemented so that no worker will be handicapped in hiring, training and promotion. Similarly, Executive Order 11246, which prohibits discrimination by employers working under federal government contracts, should be fully enforced.

Council Recommendation

Women are turning to the trade union movement in ever-increasing numbers as the only effective means of gaining and maintaining justice and equality. Their number continues to grow as organizing drives push forward.

The importance of women as trade unionists must be recognized and their full participation encouraged. A good union contract is not only the most effective guarantee against economic exploitation, but it is also the basis upon which true equality can be built.

Therefore, the AFL-CIO calls upon its affiliates to:

1. Reaffirm their commitment to the equality of women, especially equal opportunity for women in the work place.

2. Continue to combat discrimination at the bargaining table by seeking to eliminate all wage differentials based on sex; provide for sickness and accident benefits for pregnancy and maternity leave paid on the same basis as any other disability; job posting and upgrading; and supporting expansion of applicable state laws which now protect only women to protect men.

3. Urge Congress to pass fully adequate child care legislation.

4. Encourage full participation of women in all union activity.

5. Endorse the Equal Rights Amendment as a clear statement of commitment to the principles of equality of the sexes and urge all affiliates to work for ratification of ERA in the remaining state legislatures.

Community Involvement

The AFL-CIO long ago recognized that labor's concerns extend beyond the parameters of the collective bargaining agreements to include the entire society. Paramount is involvement in the community.

The AFL-CIO Civil Rights Department and other AFL-CIO departments are actively working with the Leadership Conference on Civil Rights in obtaining needed amendments to existing civil rights legislation at the federal level and the subsequent appropriations for enforcement. The departments are also involved in continuous monitoring of such laws.

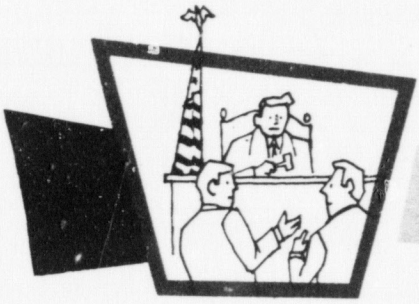
The Civil Rights Department continues to work steadfastly with the A. Philip Randolph Institute in the recruitment of black trade unionists and establishment of additional chapters throughout the country. Growth of APRI is exemplified by its 150 chapters in 35 states. These chapters are testimony to the philosophy and ideals of its founder, A. Philip Randolph, labor statesman, civil rights leader and trade unionist, who retired from the AFL-CIO Executive Council only last year. These black trade unionists, working within their communities, are providing leadership by stimulating participation in the electorial process and community life. Their work with AFL-CIO local and state central bodies and with COPE, the NAACP, the National Urban League and other responsible groups is essential to a strong labor-civil rights coalition. The A. Philip Randolph Institute held its 6th annual convention in Baltimore in May of this year with more than 800 participants in attendance.

Our Spanish-speaking members celebrated the first annual convention of the Labor Council for Latin American Advancement (LCLAA) this year. The LCLAA, like APRI, is establishing chapters in areas with sizable Spanish-speaking communities, providing responsible leadership in many needed areas to help eliminate discrimination in employment, education, housing and other aspects of American life. LCLAA also has as its major priority a strong voter registration and get-out-the-vote program.

Council Recommendation

AFL-CIO affiliates are urged to cooperate with and expand support of the Leadership Conference on Civil Rights, the A. Philip Randolph Institute and the Labor Council for Latin American Advancement.

We commend these organizations for their voter registration, voter education and get-out-the-vote campaigns. The result of their activity was evident on the day after the 1974 elections when labor's endorsed candidates enjoyed a high percentage of the victories at the polls. Truly, the key to fulfillment of civil rights can best be obtained through the ballot box and the union card.



Labor and the Law

In the 1973 Labor and Law Report, we warned that, with President Nixon's appointments to the Supreme Court, the trade union movement was moving once again into a period in which progress would be won despite the courts, rather than because of them. We noted that Nixon's four appointees were not "strict constructionists," dedicated to following earlier cases and to enforcing the intent of Congress. Rather, they are judicial activists dedicated to establishing their own views of desirable policy as the law even when they must ignore clear indications of the meaning of statutes and distort or overrule prior decisions in order to do so.

This prediction has proved painfully accurate. The last two years have produced few important decisions favorable to the labor movement and many whose effect will be seriously detrimental. The statistics themselves demonstrate the magnitude of the problem. The results in 33 of the 44 decided cases impinging on the rights of employees and of unions can be said to be favorable or unfavorable. Only 11 were in any sense union victories. But the statistics underrepresent the extent of the losses sustained. Many of the defeats were on matters that have important ramifications for the future of organized labor. Further, the cases in which the labor position prevailed were most often almost legally compelled, while the Court displayed great ingenuity in avoiding legally-foreordained conclusions in order to vindicate management interests. Thus, the Court is subject to indictment both for the results it reached and for the methods it too often employed to reach those results.

Because it is necessary to analyze the Court's reasoning in some detail, and because there were few important developments in the lower courts that the Supreme Court did not choose to review, this entire report is devoted to Supreme Court cases.

Connell Co. v. Plumbers and Steamfitters

The decision in *Connell* exemplifies the trend of the past two years. The case began when Local 100 of the United Association picketed the company, a general contractor, for an agreement whereby Connell, which did not itself employ plumbers and steamfitters, would subcontract the work done by those craftsmen only to subcontractors who had signed a collective agreement with Local 100. The company signed under protest and sued the union under the anti-trust laws. The district court and the Fifth Circuit ruled against Connell. The Supreme Court, 5-4, in an opinion by Justice Powell, reversed.

The Court's opinion is divided into four sections. The first states the facts; the second holds that the labor exemption to the anti-trust laws does not apply; the third rejects the union's argument that its agreement with Connell is validated by the construction industry proviso to §8(e) of the National Labor Relations Act and hence is lawful under the anti-trust laws; and, as an afterthought, the fourth rejects the company's claim that the agreement must pass muster under state, as well as federal, anti-trust law.

The discussion of labor's exemption from the anti-trust laws is so cryptic that only a brief summary is warranted. Justice Powell begins by acknowledging the policy favoring the elimination of competition over wages and working conditions but states that this policy does not sanction employer-union agreements that impose direct restraints on business competition not required to protect labor standards. Apparently this is true even though the agreement is not secured by the union in furtherance of an independent employer-union conspiracy. Contrary to the impression created in *Connell*, no prior majority had accepted that thesis, and the tenor of many opinions implied that the law was to the contrary. Yet, the Court's conclusion that the labor exemption does not apply is reached as if the thesis had always been the law. The advantage of this style of opinion writing is that it frees the Court from the restraints imposed by the discipline of providing a statement of reasons supported its holding, the basic check to judicial lawmaking through mere fiat.

Starting from the foregoing premise the opinion then goes on to conclude that the agreement between Connell and Local 100 directly affects business competition; that the restraint is not a limited safeguard against competitive advantages derived from substandard wages and working conditions; and that since "Local 100 had no interest in representing Connell employees" the "federal policy favoring collective bargaining therefore can offer no shelter" to the agreement.

On its surface, the holding that an agreement imposing direct and unjustified restraint on business competition which is not the product of collective bargaining is not entitled to the labor exemption appears tolerable. But it is not safe to assume that *Connell* is intended to teach such a limited lesson. The findings

as to the intent and effect of Local 100's efforts to secure the restriction on subcontracting are completely contrary to those reached by the trial court and the Court of Appeals, although the usual rule is that the Supreme Court does not overturn such findings. Moreover, Justice Powell's evaluation of the effect of the agreement rests not on anything that had actually occurred, but on what could or might happen, or what the union could or might do. Only a Court intent on achieving a certain result would have gone to such extremes. Thus, between every line of *Connell* is the unspoken premise that it is a judicial obligation to assure that unions are subjected to the anti-trust laws to the maximum extent possible. *Connell* contains an implicit promise of a broader reading of the anti-trust laws to come.

The Court's discussion of the labor exemption to the anti-trust laws was merely the prologue to its consideration of the real issue in the case. The first proviso to §8(e) of the National Labor Relations Act, as amended, allows:

> "an agreement between a labor organization and an employer in the construction industry relating to the contracting or subcontracting of work to be done at the site of the construction, alteration, painting, or repair of a building, structure or other work."

And, as the Court admitted, "Local 100 is a labor organization, Connell is an employer in the construction industry, and the agreement covers only work 'to be done at the site of construction, alteration, painting or repair of any building, structure, or other works.'" Moreover, as the Seventh Circuit in another case had stated, "It would be unreasonable to hold that success in securing * * * an agreement [lawful under the §8(e) proviso] constitutes a violation of the anti-trust laws."

Thus, unless the Court could hold that, contrary to the plain language of the statute, the Local 100-Connell agreement was outside the proviso to §8(e), the logic of the union's labor law defense would be irrefutable. Justice Powell showed no hesitation in overcoming the plainest possible indications of congressional intent in order to find that the agreement was outside the proviso.

Thus, first, the Court's decision renders illegal contracts which Senator John F. Kennedy, in reporting on the conference agreement that added §8(e) to the law, assured his colleagues would remain lawful:

> "Agreements by which a contractor in the construction industry promises not to subcontract work on a construction site to a nonunion contractor appear to be legal today. They will not be unlawful under section 8(e). The proviso is also applicable to all other agreements involving undertakings not to do work on a construction project site with other contractors or subcontractors regardless of the precise relation between them. Since the proviso does not relate to section 8(b) (4), strikes and picketing to enforce the contracts

excepted by the proviso will continue to be illegal under section 8(b) (4) whenever the *Sand Door Case* is applicable. "It is not intended to change the law with respect to the judicial enforcement of these contracts, or with respect to the legality of a strike to obtain such a contract."

The Court cites that report, and the House Conference Report which is to the same effect, and concluded therefrom that the proviso was intended "simply to preserve the status quo" under the *Sand Door* decision cited by Senator Kennedy. Since prior to *Sand Door* agreements between unions and general contractors restricting the subcontracting of work were not unlawful, the Court's decision manifestly defeats the congressional intent.

Second, even if the Court's reading of §8(e) were correct, that would not, standing alone, have justified the conclusion that the anti-trust case against the union was well-founded. The Court said:

> "There is no legislative history in the 1959 Congress suggesting that labor-law remedies for §8(e) violations were intended to be exclusive, or that Congress thought allowing antitrust remedies in cases like the present one would be inconsistent with the remedial scheme of the NLRA."

On the contrary, there is abundant evidence that Congress did not intend anti-trust remedies for §8(e) violations.

For example, Rep. Alger proposed an amendment in 1959 which, as Justice Powell recognized, "would have repealed antitrust immunity for any action in concert by two or more labor organizations." Justice Powell declined to draw any inference of congressional intent from the House rejection of this proposal, because it was "much broader than the issue in this case." But the rejection of the Alger and similar anti-trust amendments does not stand alone. The significance of Congress' response must be assessed against the explanation offered by the sponsor of the Landrum-Griffin bill that added §8(e) to the law. For Rep. Griffin not only opposed the Alger amendment but also contrasted it with his own bill, since the contrast

> "serves to point out that the substitute [the Landrum-Griffin Bill] is a minimum bill. It might be well at this point to mention some provisions that are not in it.
> "There is no antitrust law provision in this bill.
> * * * *
> "This is truly a minimum bill that a responsible Congress should pass."

To underline the opposition of the sponsors not only to Rep. Alger's proposal but to any attempt to regulate through the anti-trust laws union "secondary" conduct covered by the Landrum-Griffin substitute, Rep. Griffin added:

> "I believe I speak for the gentleman from Georgia [Mr. Landrum], as well as myself when I say that if amendments

are offered on the floor to add anti-trust provisions or others that have been mentioned. I, for one, will oppose them."

It is difficult to imagine legislative history which more clearly demonstrates congressional intent not to provide an anti-trust remedy than the representation of a sponsor that a measure which he has proposed will not have that consequence. Yet, five members of the Court ignored that clear intent in order to impose their own view of desirable policy and subject unions to great potential penalties.

Fair Employment

In decided contrast to the hostility against unions manifested in *Connell* is the fairly expansive approach taken to the rights of individuals claiming to have been discriminated against in employment on the basis of race, sex, and similar factors. Although there have been some deviations from the pattern, for the most part the Court has sanctioned a broad view of what constitutes discrimination, and also has been alert to provide as many paths as possible to the vindication of employees' fair employment rights. Not only the results in the employment civil rights cases but also the apparent ease with which the Court reached the results, leaping blithely over issues which are at least serious legal questions, suggests that litigation under Title VII of the Civil Rights Act of 1964 and related remedial litigation remains a favored class of cases.

Given the presence on the Court of the four Nixon appointees, generally inhospitable to expansive interpretation of individual rights and disposed to favor the views of large business entities, usually the defendants in these cases, this situation is surprising. But four justices— Douglas, Brennan, Marshall and White—are solidly committed to advancing the position of minorities and women generally. Thus, in civil rights cases, individual employees bringing suit usually begin with four assured votes. Justice Stewart and Nixon appointees Blackmun and Powell seem to have singled out the employment area as one in which equality of opportunity is usually to be promoted, except, perhaps, when the monetary cost becomes too high. The Court has not yet decided any cases in which the claims of minorities and women clashes squarely with the rights of other employees to get or keep their jobs. Thus, up to now, it may have appeared to these justices that equal job opportunity is a way to promote eventual social equality without embroiling the Court in the political disputes and social dislocation which other decisions involving minorities' rights—for example, school busing for desegregation—have occasioned.

The two recent Court decisions in the equal opportunity area with the most far-reaching impact are *Albemarle Paper Co.* v. *Moody* and *Johnson* v. *Railway Express Agency, Inc. Albemarle* assured back pay in most instances to employees discriminated against by employers and approved rather stringent guidelines

for the use of standardized tests in selecting employees when, as a result of the tests, few minority employees are hired. In *Johnson*, the Court used a case involving only a minor procedural point to declare that, in addition to his rights under the 1964 Civil Rights Act, an employee who believes he has been discriminated against by a private employer because of race also can sue under a much older civil rights statute, and that, if he chooses to do so, the various limitations on suit imposed by the 1964 Act do not apply.

a. *Albemarle*

The company, before the 1964 Civil Rights Act was enacted, had a system of job progression which was racially segregated, with black employees relegated to lower-paying jobs. Although this system of overt segregation was abandoned after the Act, the jobs formerly held only by blacks were "tacked on" the bottom of job seniority classifications. Thus, advantages in promotion, demotion and layoffs conferred by the seniority system were enjoyed by white employees even when blacks had been employed in the plant longer. The district court held that this system violated Title VII and ordered a system of plantwide seniority. It refused, however, to order back pay for the employees. It said the company did not act in "bad faith" but, instead, actively recruited blacks and tried to conform with judicial decisions, and that the employees waited too long to ask for back pay, rather than requesting it at the time they filed suit.

The Court, with Justice Stewart writing the opinion, held that the fact that a company attempted in good faith to comply with Title VII is not a sufficient reason for a judge to refuse to award back pay. Even though Title VII leaves the decision whether or not to grant back pay to the district court, a district judge must exercise that discretion consistent with the purposes of Title VII. And, the Court said—in a discussion which may have significance for future cases presenting questions of the remedies available under Title VII—one of the main purposes of Title VII is to compensate employees for any past discrimination—that is, to "make whole" employees discriminated against on the basis of race. The Court did leave room for denial of back pay in some circumstances—for example, if the request for back pay is so delayed that the defendants can no longer disprove the amounts claimed due.

The reaction of the three Nixon justices who participated in *Albemarle* (Justice Powell did not) to this part of the case may augur less easy going for employees in Title VII cases in the future. Justice Rehnquist, while purporting to agree with the majority, wrote a separate opinion which says that the district judge's discretion to award back pay is actually very broad, and while "good faith" is no defense, a finding of behavior "reasonable under the circumstances" would be. Since the two seem to be pretty much the same thing, Justice Rehnquist may have joined the majority only to have the opportunity to try to water

down its holding. Chief Justice Burger and Justice Blackmun each dissented on this issue, saying that good faith can be a defense in some circumstances.

The import of the back-pay decision upon union liability is not clear. Although a Paperworkers' local was a defendant in the litigation, the Court did not rule on whether the union is to be held liable for any part of the back-pay award. Presumably, this question will have to be faced when the back-pay issue is decided anew in the lower courts.

Buried in a footnote in *Albemarle* is a holding which may have great significance for the amount of the back pay due and owing once liability has been found in a Title VII case. The Court approved a long series of Court of Appeals cases holding that back pay can be awarded in a class action to minority employees who have not themselves brought charges before the Equal Employment Opportunity Commission, even though Title VII requires filing a charge with the EEOC before bringing a court case. Thus, if one employee covered by Title VII complies entirely with the statutory procedures, back pay may be due all employees who suffered the same discrimination. The fact that this major issue, argued at length in the briefs before the Court, is brushed away in a footnote to become settled law without dissent, at a time when the Court is generally cutting back upon class action lawsuits, demonstrates the degree of special protection employees in Title VII cases have obtained.

The second part of *Albemarle* dealt with the implementation of *Griggs* v. *Duke Power Co.*, a 1971 case in which the Court had held that any test for employment which had the effect of limiting minorities from obtaining employment could not be used unless it is shown to test qualifications necessary to effective performance on the particular job. At issue in *Albemarle* was whether the company had succeeded in meeting its burden of showing that the tests used are related to job performance. The Court held that the studies done by the company before trial were inadequate to prove job-relation. Most significant for future developments is the Court's nearly total reliance in deciding this issue upon the EEOC's strict guidelines on a highly technical aspect of law not obviously within the agency's province. Justices Burger and Blackmun disagreed with this reliance, pointing out that the EEOC guidelines had not, like most administrative regulations deferred to by courts, been subjected to public comment and scrutiny. Since the majority chose nonetheless to defer to EEOC's "expertise" in setting standards under Title VII, it would appear that the Court will continue to rely upon the agency's generally stringent guidelines in dealing with other problems under Title VII.

b. *Johnson*

In this case, the Court granted certiorari on a relatively minor issue—whether an employee suing for employment discrimination not under Title VII but under a general post-Civil War civil

rights statute, § 1981, can wait to file suit while he presents his complaint to the EEOC, even if the statute of limitations applicable to §1981 runs out in the meantime. The Court, in an opinion by Justice Blackmun, said that filing the EEOC complaint has no effect upon the time limit on the §1981 suit. Thus, the Court made it somewhat more difficult for an employee in the future to pursue his remedies under both statutes, since he may have to file a §1981 suit while waiting for the EEOC to act, rather than filing one suit under both statutes. The Court also foreclosed those employees who have been awaiting EEOC action from filing §1981 cases in the future, if the §1981 time limits have expired.

But the Court, in order to even reach the issue actually in dispute, had first to decide a major question it had never confronted —whether there is a suit under §1981 at all for private employment discrimination. After determining, with no discussion whatever, that §1981 does provide a remedy for a black employee who claims discrimination by an employer, the Court went on to expound at length about the independence of the remedies under §1981 and under Title VII. In the process, the Court decided numerous issues not involved in the *Johnson* case itself, even though courts are only supposed to decide questions in dispute among the parties.

For example, the Court said that in a §1981 suit an employee can recover back pay for a longer period than he can under Title VII. Also, an employee under § 1981 can recover monetary damages other than back pay, while only back pay may be available under Title VII. Finally, and perhaps most significantly, an employee need not, in order to bring a §1981 suit, file a complaint with the EEOC and wait until the EEOC has completed action. Thus, the Court used a case presenting a minor procedural point to assure employees of a way of vindicating claims of racial discrimination which may be speedier than Title VII and may result in greater recovery of damages. While employees may continue to use Title VII because in many instances it will be cheaper and easier to do so, the opinion in *Johnson* could increase the number of employment discrimination suits which companies and unions have to defend.

The Court was unanimous on the broad questions decided, although there was a dissent by Justices Marshall, Douglas and Brennan, who would have held that an employee can always delay his §1981 suit until the EEOC procedures are over. *Johnson*, therefore, demonstrates that the Court, this time including all the Nixon justices, is so convinced of the necessity for opening up all potential routes to vindicating claims of racial discrimination in employment that it will make broad pronouncements with a minimum of discussion, even when not necessary to a particular case.

At the same time, the actual result in *Johnson* shows that the majority of the justices are not so committed to easing the road to relief as to amalgamate the various statutory provisions.

This insistence upon the independence of the different routes to remedy discrimination can, in some instances, make it difficult to simultaneously pursue the various remedies. This approach to overlapping legal routes for vindication of employment discrimination claims is consistent with the approach taken in the *Alexander* and *Emporium Capwell* cases, discussed later.

c. *Discrimination Against Women*

The Court dealt with four cases in some way involving employment discrimination against women. In three of the cases it soundly condemned practices which compromised the employment rights of women, but in one, *Geduldig* v. *Aiello*, dealing with a state program which provides compensation for all medical disabilities except those relating to a normal pregnancy, the women employees lost. While the result in *Geduldig* is hard to reconcile with the other three cases, and while the Court again refused to decide explicitly whether government discrimination against women is, like discrimination based on race, always to be regarded with suspicion under the Constitution and very rarely to be approved, the decisions do indicate that in most instances women must be treated identically to men for employment purposes.

Unlike the other three sex discrimination cases, *Corning Glass Works* v. *Brennan* did not involve a constitutional attack but a question regarding a statute—the Equal Pay Act of 1963, which requires equal pay for equal work regardless of sex. Corning had employed only women to perform a particular job on the day shift and only men to do the same job at night. It paid the men more than the women, and the increment was in addition to a shift differential paid to all night workers. Later, Corning permitted women to compete for the higher-paying night job, but did not pay the day women more. The Court held, 5-3 (Burger, Blackmun and Rehnquist, dissenting), that the difference between day work and night work is not enough to make jobs basically different. To justify disparate pay for various shifts, employers must prove that the difference in shift was the reason for the pay difference. Since Corning paid a separate shift differential to all night employees, it was apparent that the more burdensome nature of night work was not the reason for the different pay scales for this particular job. Second, the Court said that, to remedy pay differences by sex, it was not sufficient that women were allowed to get the higher paying jobs. Rather, the presumption under the 1963 Act is that if there is a difference in the wages paid to women and to men for the same job, the wages paid to women are deflated, and the wages of all women working in the particular job must be raised.

The general drive toward equal employment opportunity becomes tempered for certain justices when the cost of providing equality becomes too high, as is well illustrated by contrasting *Cleveland Board of Education* v. *LaFleur* with *Geduldig*. *LaFleur* concerned pregnant teachers who were forced by the school

board to resign without pay in the fourth or fifth month of pregnancy, regardless of their physical ability to continue working, and were not allowed to return until their babies were three months old. The majority, with Justice Stewart writing the opinion, said that school boards were not allowed to interfere with the right of women workers to bear children by presuming them unfit to work even if the medical facts were otherwise. Justice Powell concurred and only the two dissenters, Justices Rehnquist and Burger, thought that the whole problem was no business of the courts.

Neither the majority nor Justice Powell treated *LaFleur* as a case involving discrimination based on sex, although the school board did not have similar ironclad rules regarding other kinds of disability. Justices Stewart, White, and Powell may have been looking toward the next case concerning pregnancy and employment—*Geduldig*, involving state disability benefits for work lost because of a normal pregnancy. In *LaFleur*, the right of pregnant women to be treated like anyone else could apparently be upheld at no economic cost to anyone. But in *Geduldig*, it would have substantially increased the cost of the disability program to have covered pregnancy-related disabilities. Justice Stewart again wrote the Court opinion, stressing the cost factor in holding reasonable the state's decision to leave out pregnancy-related disabilities while covering nearly every other medical disability. Moreover Justice Stewart said that distinctions based on pregnancy are not sex discrimination at all. This was hotly disputed by the dissenters—Justices Brennan, Marshall and Douglas.

Whether *Geduldig* implies that all fringe benefit programs in employment which except pregnancy coverage are valid is unclear. The EEOC has, as the dissent in *Geduldig* pointed out, consistently maintained that all pregnancy distinctions are sex discrimination and therefore invalid under Title VII. The Court will decide next term whether such distinctions can be barred under Title VII's sex-discrimination prohibition even if the Constitution does not prohibit them.

While the cost factor seems to have impelled the result in *Geduldig*, it did not deter the Court from holding unanimously in *Wiesenfeld* v. *Weinberger* that the government cannot provide lower government-sponsored benefits to a woman's family should she die than is provided a man's family. Under the Social Security Act, widows of covered employees responsible for minor children received monthly benefits for themselves, but widowers of covered employees did not. The Court struck down this gender-based classification, viewing the case as one in which female employees received less in return for their work than identically situated males.

Despite its strong reliance on the cost factor in *Geduldig*, the Court in *Wiesenfeld* did not discuss the economic features of the decision. There appear to be at least two reasons for this. First, compliance with *Wiesenfeld* would be relatively cheap compared

to the cost of the overall Social Security program, while in *Geduldig* the cost of the whole program would have increased 12-33 percent if the women had won. Second, the discrimination in *Wiesenfeld* was explicitly based on sex, while the connection of the *Geduldig* issue with sex discrimination was a bit more attenuated.

d. *Other Developments—and non-developments.*

In two relatively minor cases concerning Title VII and national origin discrimination, the Court held:

1. That the Title VII prohibition against national origin discrimination and the extension of Title VII in 1972 to the federal government were not intended to eliminate preferences for hiring Indians in Bureau of Indian Affairs jobs, and that, because Indians have always been treated specially under the Constitution, the preferences are constitutional. (*Morton* v. *Mancari.*)

2. That Title VII's prohibition against national origin discrimination does not prohibit conditioning a job upon citizenship, at least where the employer can show that the citizenship qualification is not a disguised attempt to discriminate against those of certain national backgrounds. (*Espinoza* v. *Farah Manufacturing Co.*)

The limits of the Court's commitment in the fair employment area is shown most clearly by the fact it refused to decide the one case with implications for the hardest and most politically volatile issue in this area—so-called affirmative action in hiring and promotion, whereby an employer **prefers** members of certain groups on the theory of compensation for general past discrimination against that group. *DeFunis* v. *Odegaard* involved not an employment situation but an alleged preferential program of law school admissions. Nonetheless, a decision on the constitutionality of such a program would have had clear application to government-enforced and court-ordered "affirmative action" employment programs.

The Court, 5-4, said that because DeFunis, who was contesting his denial of admission, had been admitted to the school under court order and was likely to graduate shortly, he no longer had any dispute with the law school. The dissenters—Brennan, Douglas, White and Marshall—pointed out that graduation was not a certainty and charged that the Court was merely abusing a legal doctrine requiring a current controversy in order to sidestep a difficult case. Indeed, the majority opinion could only have been motivated by the fact that the five justices who joined it wanted to avoid deciding as long as possible the emotional, sensitive issue presented by the case.

DeFunis, then, seems a clear indication that the Court's receptive approach to the rights of minorities and women in employment disputes will become tempered as soon as there are strong countervailing considerations. Thus, the expansive approach toward fair employment rights may contract as the cases become more complicated, and as the economic and social costs

of supporting minorities' and women's positions in this area become commensurately greater.

Title VII and "Traditional" Labor Law

One might expect that in cases in which union claims to exclusive representation in collective bargaining and in the presentation of grievances come into apparent conflict with Title VII principles, the current Court would be quick to side with the minority employees and to provide them with remedies outside the collective bargaining framework. In fact, however, in the two decided cases in which traditional collective bargaining principles were alleged to limit the remedies available to minority employees, the Court produced two of its most sensitive, well-reasoned opinions in the labor area of the past two terms, and conscientiously attempted to accommodate the competing factors. Thus, in *Alexander* v. *Gardner-Denver Co.*, the Court unanimously held that an agreement by the union to arbitrate grievances, contained in a collective bargaining agreement also containing a prohibition against racial discrimination, does not preclude an individual employee from bringing a Title VII discrimination suit entirely separate from and not dependent upon the arbitration proceeding. In *Emporium Capwell Co.* v. *WACO*, the Court, 8-1, held that Title VII in no way converts into protected behavior under the NLRA attempts by minority employees, through picketing and a consumer boycott, to force an employer to bargain separately with them about alleged discrimination, instead of pursuing through the designated union the remedies available under the collective bargaining agreement.

Although *Alexander* and *Emporium Capwell* seem on the surface to come down on opposite sides of the relationship between Title VII and traditional labor remedies, there is in fact a consistent approach underlying these two cases and *Johnson*, discussed earlier. The construction of statutes consistent with the legislators' intent should not be unusual, but given the present Court's propensity to legislate itself by misconstruing or ignoring legislative history, it is. This approach assumes that Congress intended to provide various routes for vindication of employment discrimination claims—§1981, Title VII, collective bargaining through the union, and grievance and arbitration proceedings under collective bargaining agreements—and that the different avenues of relief are usually to be treated as entirely independent, rather than distorting one scheme to accommodate another. The approach taken in this area is not only internally consistent but is also consonant with the 1972 decision by Congress not to centralize employment discrimination adjudication in the EEOC. This decision was opposed by organized labor and, indeed, the Civil Rights Commission has just stated its agreement that an NLRB-type agency in this area should be created, but it was clearly the intent of Congress. Thus, the Court has approached the interaction of Title VII and other statutes with an uncharac-

teristically even-handed, clearminded approach, setting some limits upon vindication of employment discrimination claims while making sure that several effective routes remain open.

In *Alexander*, it was claimed that the decision to pursue a contractual grievance and arbitration procedure on a race discrimination claim precluded a Title VII suit after the arbitrator found a discharge valid, or, if it did not, that the Court was, under certain conditions, required to accept the arbitrator's decision. The Court rejected both contentions, although it hedged its second holding by permitting courts to accord arbitrators' decisions in this area "such weight as the Court deems appropriate."

The *Alexander* decision may result in fewer employer accessions to contractual anti-discrimination clauses and, therefore, to a lessened union role in vindicating such claims on behalf of members, for some employers may have agreed to such clauses in the hope of avoiding expensive Title VII litigation. But the Court at least considered this possibility, and concluded that employers would realize that the less onerous contractual grievance procedures would probably satisfy most disgruntled employees in alleged race discrimination cases, and that agreement to such clauses would therefore reduce the number of Title VII cases.

In *Emporium*, on the other hand, principles of collective bargaining and exclusive representation by unions were squarely in conflict with the claimed rights of minority employees to bypass the union and apply economic pressure on their employer to directly bargain on claimed racial discrimination. The Court had no choice but to come down solidly on one side or the other. And, unlike *Alexander*, where clear statutory rights of the individual employees were at stake, the rights claimed by the minority employees were not explicitly protected by the provision upon which the employees relied—§ 7 of the NLRA.

In an opinion by Justice Marshall, the Court recognized that the entire principle of exclusive representation protected by §9(a) of the NLRA would be compromised by permitting the bypass of the grievance procedures sought in *Emporium*. Justice Marshall emphasized that repudiation of that principle would weaken the ability of the minority employees themselves to secure economic justice. This reminder that unions can be, and are, a positive force for the betterment of all their members may be the most positive note struck by the Court in the past two years. The Court took pains to note that a variety of legal provisions guarantee representation for minority interests, but the central point was that Congress did not choose in the NLRA to arm splinter groups with the protected right of self-help.

National Labor Relations Act Cases

The respect for the interests of organized labor shown in *Emporium* was reflected in few of the cases dealing solely with traditional questions of protected and prohibited activity under

the NLRA. Indeed, some of the losses are in cases so clearly requiring an opposite result as to be explained only by the kind of unprincipled hostility vented in *Connell*. Also unfortunate is that in some cases the anti-labor majority was made up not primarily or solely of the Nixon-appointees but of members of the Court—Justices Douglas and Brennan, in particular—who have not in the past been unsympathetic to organized labor.

a. The Victories—Phyrric and Otherwise.

With one exception, the NLRA cases in which the union position prevailed involved issues peripheral to the main structure of the statute governing collective bargaining. And the exception—*Golden State Bottling Co.* v. *NLRB*, in which the Court held that a company which acquires an existing company with knowledge of unfair labor practices of its predecessor must remedy the unfair labor practice with reinstatement and back pay—lost much of its force as a result of a second decision the same term, *Howard Johnson Co.* v. *Hotel Employees*, discussed below.

For example, in *Weingarten* v. *NLRB*, the Court, 6-3, in an opinion by Justice Brennan, approved as consistent with the "concerted activity" protection of §7 of the NLRA a Board ruling requiring employers to permit employees to bring union representatives to investigatory interviews likely to result in discipline of the employee. As in many other areas, the Board had waffled on this issue, and its recent decisions requiring employers to permit union representatives at certain interviews were found by a Court of Appeals to be impermissible in view of earlier Board decision seemingly permitting their exclusion. The Court's opinion is an approval of the Board's perogatives to fill in the interstices of the Act more than it is a broad reading of the union's role under the Act. Indeed, the language of the opinion indicates that the Court might also have approved an opposite ruling by the Board, and that the decision is really notice to the courts to accept the Board's decisions on questions not at the heart of the NLRA.

The Board's new rule approved by the Court is, in fact, quite limited: It applies only to disciplinary interviews, not to mere investigations; it does not require employers to have interviews before imposing discipline, and permits employers to condition interviews upon exclusion of the union representative; and the employer does not have to allow the union representative to say anything—he only must allow him to be present.

The opinion, because it is premised upon the Board's right to set rules in this area, accepts not only the rule but all its limitations. Thus, *Weingarten* illustrates that for progress in this and similar areas organized labor must insist upon an NLRB attuned to industrial realities and receptive to legitimate union claims.

Similar to *Weingarten* in its reliance upon an expanded Board reading of §7 is *NLRB* v. *Magnavox*, which held, 6-3, that the Board properly found it an unfair labor practice for an employer

to limit distribution of pro-union literature, even where the union had seemingly agreed to the limitations in the collective bargaining agreement. *Magnavox* was seemingly motivated not by a desire to protect existing unions from over-reaching by management, but by a concern that those who oppose the incumbent union retain their distribution rights rather than being bound by a union agreement to restrain distribution. The opinion by Justice Douglas comes to the issue actually before it—distribution by union adherents—almost as an afterthought, and there were three dissenters who agreed with the Board position on anti-union distribution but not with its position on pro-union distribution. Thus, *Magnavox* seems to be a case in which a majority of the Court felt compelled to reach the result primarily because it believed it could not logically uphold the Board as to anti-union distribution unless it also upheld it as to pro-union distribution.

Florida Power & Light Co. v. *Electrical Workers*, on the other hand, disapproved, 5-4, a Board ruling that the §8(b)(1)(B) prohibition against coercing an employer in the selection of his bargaining representative applied to union discipline of its supervisor members who crossed picket lines to perform work normally performed by striking nonsupervisory workers. The Board had in a series of cases expanded the section, which was intended to prevent unions from trying to force an employer into or out of multiemployer bargaining units or to coerce an employer in deciding the identity of the individual who would bargain or settle grievances for him, far beyond its original purpose, so that it became a catch-all section governing all attempts by unions to discipline supervisors acting in their employers' interests. The Court opinion, while not squarely disapproving the general thrust of the Board's approach, drew the line at discipline imposed for performing work unrelated to a supervisory function. Since the Board had clearly stretched §8(b)(1)(B) beyond recognition, the narrowness of the majority is perhaps more significant than the fact that the only sane view of the statute prevailed. Indeed, Justice Stewart made plain that the majority opinion was in no way an expansion of the protection afforded unions vis-à-vis their supervisor members; employers remain free to prohibit supervisors from joining unions at all. Perhaps this explanation persuaded Justice Powell, who was in dissent in *Weingarten* and *Magnavox* and was the author of *Connell*, that the opinion was of little practical importance, since an employer intent upon preventing supervisors from supporting strikes has ready means to do so. For whatever reason, Justice Powell was the fifth vote in *Florida Power*.

Unlike the other three union victories in this area in the Supreme Court, *Golden State Bottling* was potentially of great importance in helping to stabilize the wavering position the Court has taken on the general question of the responsibilities under the labor statutes of employers who acquire an intact business.

On the one hand, the Court had held in 1964 in *John Wiley & Sons, Inc.* v. *Livingston* that the need of employees for protection from sudden changes in ownership requires a new employer, if there is a substantial continuity in the business enterprise, to arbitrate under a collective bargaining agreement. But, with the decidely anti-labor turn in the Court, *NLRB* v. *Burns International Security Services*, in 1972, held, in the interests of economic efficiency and freedom of contract, that a new employer who hired a majority of the employees of an old company did not commit an unfair labor practice by repudiating the terms of the old collective bargaining agreement. In *Golden State*, in which the question concerned responsibility of a new company to remedy unfair labor practices by a predecessor employer, the Court came down squarely on the *Wiley* rationale. It stressed that because of the continuity of the working situation, any failure by the new employer to remedy prior unfair labor practice could either stir up labor unrest or enable the successor to deter union activity. In a footnote, the Court disclaimed any rule which would make the responsibility of successors depend upon the state law where the company was located, or upon the way in which the company changed hands—by merger or by purchase, for example. Thus, *Golden State*, a unanimous opinion, seemed to breathe new life into *Wiley*, and to present some hope that the plight of employees and unions at the mercy of management changes beyond their control would be taken into account in future successorship cases. But the promise seemingly made by *Golden State* was repudiated almost immediately, see the discussion of *Howard Johnson* below, and the case seems now to have importance only for the issue actually decided.

b. *Managerial Employees; Card Majorities.*

At least two of the NLRA cases organized labor lost are of potentially major impact. *NLRB* v. *Bell Aerospace* read into the protections of the NLRA an exception for all "managerial" employees, whether they have any labor relations responsibilities or not, which appears nowhere in the language or legislative history of the Act, and which the Board had only briefly adhered to and had recently abandoned. An analog to this extraordinary feat of willful legislative misinterpretation was the opinion in *Linden Lumber Division* v. *NLRB*, where the Court created, again the face of the words of the statute and statements in Congress a requirement that a union be selected at a formal election before an employer who has not committed coercive unfair labor practices is required to bargain with it. Both *Bell Aerospace* and *Linden Lumber* were decided 5-4, and in both, Justice Douglas' vote was critical to the five-man majorities; in *Linden Lumber*, Justice Brennan's vote was also necessary, since Justice Powell was in dissent. Thus, while Nixon-appointees were the bulk of the majority in each case and it is improbable that the results could have been reached by a Court on which there was not a hard-core group determined decisively to cut back

upon the gains organized labor has made, the results also could not have been reached without the unexpected concurrences of Justices Douglas and Brennan.

The NLRA protects "employees" generally in organizing unions and bargaining collectively, except for certain defined groups, including "supervisors." "Supervisors" are defined in the Act as employees with certain labor relations responsibilities. This exclusion of "supervisors" from the Act's protections was added in the Taft-Hartley Act, to overrule a Board decision, approved by the Supreme Court in 1945 in *Packard Car Co.* v. *NLRB*, which permitted foremen to be part of a rank and file bargaining unit. But no mention was made in the Taft-Hartley amendments or in the discussions in Congress concerning them, of employees whose responsibilities were closely connected with management, such as buyers, but who had no responsibilities concerning other employees. The Board had not, before Taft-Hartley, ever excluded managerial employees entirely from NLRA protections and indeed had indicated that they were covered, even though "supervisors" had for a time been completely excluded.

To conclude in *Bell Aerospace* that Congress in 1947 intended not only to permit the Board to exclude managerial employees but to require it to do so, the five-justice majority, obviously intent on pushing aside all conventional legal barriers to reach this result, had to imply an exclusion Congress had never contemplated. The Court imposed its own view that the distinction between "management" and labor must be strictly maintained even when there is no possibility of competing loyalties. Justice Douglas had expressed this view in 1945 in dissent in *Packard*, which explains why he joined the four Nixon justices here. The Nixon-appointees were undoubtedly acting to curb the growth of unions by limiting § 7 protection for employees with discretionary responsibilities but no role in labor policy.

There is, however, a glimmer of hope that *Bell Aerospace's* impact will be curbed. The Court did not define with any precision what is meant by "managerial employees" and left it to the Board to decide whether the buyers in *Bell Aerospace* itself are within or without the NLRA. Thus, if the Board persists in its belief that employees without conflicting loyalties should be included, it may be able to apply the managerial employees exception narrowly.

In *Linden Lumber*, the question was whether the Board could properly decline to find a refusal to bargain under §8(a)(5) where a majority of the employees in a unit had signed union recognition cards and gone out on strike in support of the union's demand for recognition, and the employer could not demonstrate any reason for doubting this proof of the union's majority status. The Court had left this issue open in 1969 in *NLRB* v. *Gissel Packing Co.*, when it held that an employer who engaged in serious unfair labor practices likely to affect an election could

not insist on an election. The NLRA requires an employer to bargain collectively with representatives "designated * * * by the majority of the employees in [an appropriate bargaining] unit." Prior to 1947 the Board had recognized that the law does require the employer to recognize a union that produces convincing evidence of majority support, and does not permit him to ignore the union's demand and to require the union to obtain a Board certification. There was an attempt to include in the Taft-Hartley amendments a requirement of a Board election before bargaining was required, but the proposal was rejected. Instead, Congress decided in 1947 not to change the existing law so as to grant an employer a right to insist on an election simply because he wants one. What Congress did do was to add a section granting employers far less—a right to petition for a representation election if the employer has a good faith doubt of the union's majority.

Thus, the situation was almost precisely parallel to that in *Bell Aerospace*—a statute with no explicit exception, and legislative history militating against implying an exception. The only difference was that the Board had recently created the unwarranted exception.

The Court's opinion, by Justice Douglas, ignores the statutory history and language and speaks only about policy matters—getting most of the policy considerations backwards. For the Court seemed to see the election requirement as a way of speeding up the recognition process and making firm the collective bargaining requirement. But in fact, to allow employers to insist upon an election allows them to drag out the process through the campaign and through later attacks on the representation election, in the meantime hoping to dissipate union support. The *Gissel* rule is a marginal protection, for it applies only to flagrant unfair labor practices and requires litigating those practices before an order to bargain can issue. Thus, *Linden Lumber* provides employers intent upon ignoring clear proof of majority status with an effective weapon which Congress almost certainly did not intend.

c. *Other NLRA Cases.*

NLRB v. *Savair Manufacturing* was the only other case dealing with a substantive NLRA issue. The Court decided, 6-3, in a confused decision, again by Justice Douglas, that for a union to promise before a union election to waive union initiation fees, if the union should prevail, for those who sign pre-election union recognition cards constitutes coercion of the right of employees to decide whether or not to join a union. The Board had reached the opposite result, pointing out that those who signed cards were still free to vote against the union and to avoid any costs of union membership that way.

There were also a series of cases dealing with procedural questions. The Court held:

1. That where the Board has changed its policy on an issue

while a case is being reviewed in the courts, a court may not impose itself what it regards as the Board's new view but must, instead, permit the Board to reconsider the case itself. (*NLRB* v. *Food Employees' Union.*) The Court did not decide whether the new Board policy involved in *Food Employees*—that the Board can order an employer to pay the union the costs of litigating an unfair labor practice case where the employer's actions were clearly unjustified—was proper under the Act. This new Board remedy, if ultimately upheld, could be important in dealing with intransigently anti-union employers by making their refusal to abide by the law expensive.

2. That a proceeding under §10(k) of the Taft-Hartley Act to settle a jurisdictional dispute among unions need not follow the formal requirements the law demands in most administrative hearings—for example, in unfair labor practice proceedings. (*ITT* v. *Electrical Workers.*)

3. That the General Counsel of the Board must release to anyone who requests them memoranda from him to regional directors which advise or command regional directors not to file an unfair labor practice complaint; but that he need not release similar memoranda if they order the filing of an unfair labor practice complaint to proceed. This decision may make it easier for unions to decide whether it is worthwhile pursuing Board remedies, for they will have access to some statements by the General Counsel on his policies regarding unfair labor practice complaints. (*NLRB v. Sears.*)

4. That if a union violates an injunction against picketing obtained by the Board under §10(l) of the Taft-Hartley Act, it has no right to trial by jury even if its fine upon conviction is $10,000. (*Muniz* v. *Hoffman.*)

Collective Bargaining Agreement Cases

The most important case concerning enforcement of collective bargaining agreements decided by the Supreme Court recently was *Howard Johnson Co.* v. *Hotel Employees*, referred to earlier in the discussion of *Golden State*. Once again, the Court refused, 8-1, to articulate a clear policy with regard to the obligations of employers taking over a business with an existing collective bargaining agreement. It did, however, indicate that it was travelling towards entirely obliterating the *Wiley* decision and permitting employers free rein to rearrange their labor policy when they acquire an existing business.

In *Howard Johnson*, the collective bargaining agreement explicitly provided that if the employer sold the business the new employer would be bound by the agreement. Nonetheless, when the business was sold, the new employer made clear that he did not regard himself as bound. He then proceeded to hire only a few of the former employees. The union went to court in an attempt to force the new employer to arbitrate, under the agreement, his obligations with regard to the discharged employees.

The Court held, adopting what the dissent by Justice Douglas properly characterized as a "bootstrap" argument, that a new employer is usually free to disregard an existing agreement if he hires only a few of the prior employees, because the identity of the old and new business is then destroyed. But it did not rest only upon this distinction from *Wiley*, in which all the old employees were hired. Even though *Golden State* had just abjured any distinction based on the legal form of the transaction by which a successor obtained control, the Court suggested that the merger in *Wiley*, which may have made the successor liable for prior contracts generally under state law, was fundamentally different from a situation in which the new employer was free under state law to disregard prior contracts. But this formalistic approach to labor agreements is decidedly not what *Wiley* was about. The refusal of the Court to come down on one or the other of the two rationales for distinguishing *Wiley* makes it difficult to predict whether *Wiley* has been obliterated altogether, or whether employers are to be left free only to choose their employees initially and, if they choose basically the same employees, to be bound by any existing agreement.

Thus, *Howard Johnson* leaves the law of successorship an unfathomable patchwork. Employers can be successors for some purposes—remedying prior unfair labor practices and NLRB orders to bargain without requiring an election—but not for others—abitrating under a collective bargaining agreement or enforcing the substantive agreement. The Court did suggest that when, as in *Howard Johnson*, the agreement is in terms binding on a successor, a union may be able to sue to enjoin the old employer from selling without including in the contract of sale a clause adopting the existing labor agreement. But this route, of course, would require a knowledge of management negotiations and intentions which a union often does not have. Therefore, it may well be that except where the change in management is as in *Wiley*, basically a paper transaction, the Court has decided to exalt the interest of economic freedom for employers over the need for protection of employees well articulated in *Wiley*.

In the remaining cases involving collective bargaining agreements the Court held:

1. 8-1, that a broad arbitration clause in a collective bargaining agreement does cover safety disputes. (*Gateway Coal Co.* v. *Mine Workers.*) Therefore, there is an implied obligation not to strike over such disputes, and an employer can get an injunction enforcing that implied commitment not to strike. While § 502 of the Labor-Management Relations Act provides that refusal to work because of a good faith belief that working conditions are abnormally dangerous is not a strike, the Court read this exception narrowly, to require evidence of actual, imminent danger. Thus, an unsupported subjective belief that a condition is dangerous does not negate the implied no-strike obligation.

2. 5-4, that a temporary order by a court, state or federal, enjoining a strike because of a no-strike agreement, automatically lapses after a set number of days once the case is in federal court unless there is notice to the parties and a full hearing on continuing the injunction. (*Granny Goose Foods Inc.* v. *Teamsters.*) Thus, a union cannot be held in contempt for violating an injunction intended to be temporary for striking years later.

State Courts and Federal Labor Law Policy

As a general matter, state courts are not permitted to enforce state laws in a manner conflicting with federal labor law policy. Often cases concerning this prohibition involve decisions on the coverage of federal labor law, in order to define the area from which state law is excluded. Thus, several of the cases the Court decided in this area will have an impact not only upon the role of state law, but also upon the protections afforded and prohibitions imposed by the NLRA. In line with both the general anti-union drive and a parallel push toward affording states more room to enforce their own laws without federal interference, the Court found in three cases that state courts could enjoin picketing, and in one that state law could **not** protect supervisors from discharge for union activity; in only one—with overtones of First Amendment protection—did it limit the role of state law inhibiting unions by precluding libel actions except in limited circumstances for statements made in a union organizing campaign.

For example, in a case where state law granted some union members greater protection than federal law, the Court in *Beasley* v. *Food Fair* unanimously refused to allow union members to avail themselves of that protection. Federal law, the Court said, not only does not protect supervisors in union activity, but prohibits states from in any way protecting supervisors who join unions. To reach this result the Court read a statutory prohibition on state protection of supervisors in "collective bargaining" to include **any** law protecting supervisors in union activity.

Unlike the result in *Beasley*, the result in *William E. Arnold & Co.* v. *Carpenters* was almost foreordained by prior cases. The Court held unanimously that a state court can prohibit a union from striking in violation of a no-strike clause even if the strike was also possibly an unfair labor practice, so that the employer may have had a Board remedy. Since the Court had already held that the availability of a Board remedy is irrelevant to a damages action based on the contract, and had also declared that state and federal courts have the same power to decide cases involving construction of collective bargaining agreements, this result was not surprising. What was surprising, and unfortunate, is that the Court reached out to discuss a Board policy not

involved in the *Arnold* case, and apparently approved that policy. The Board since 1971 has refused to decide an unfair labor practice dispute if there may be a contractual remedy. As a result, unions and employees often must pursue through arbitration disputed questions of contractual construction even if the employer's conduct, whether or not it violated the contract, was clearly contrary to the NLRA. *Arnold*, despite no apparent necessity, spoke approvingly of this Board policy which can delay redress of legitimate grievances.

Arnold and *Beasley*, while they were defeats for unions, were at least as legal matters defensible results on the issues actually before the Court. But in two closely related cases, *Windward Shipping* v. *American Radio Corp.* and *American Radio Assn.* v. *Mobile S.S. Assn.*, a divided Court displayed the ability to pervert prior law to limit union activity apparent in other recent cases. The union activity involved in the two cases was picketing on docks by maritime unions holding placards informing the public that foreign-flag ships pay foreign crews low wages, taking jobs away from American seamen. In *Windward* the foreign ship-owners obtained an injunction in state court against the picketing, while in *American Radio* a state court injunction was obtained by domestic shipper and stevedore companies who complained that because of the picketing, longshoremen refused to load ships, thus harming their business.

Windward, decided first, 6-3, expanded the established principle that the labor laws apply only to domestic labor disputes to cover all situations in which the employer and employee are both foreign, even if the activity is not an attempt to organize foreign workers but an attempt to preserve jobs for Americans. *Windward*, therefore gave sanctuary to the movement toward foreign registration of vessels in order to avoid, among other things, domestic labor law.

More significant for labor law generally, however, was *American Radio*. The unions maintained in *American Radio* that if their activity was not protected under *Windward*, the shippers and stevedore companies, as domestic employers, had a possible Board remedy for secondary activity, and that state courts therefore were without jurisdiction to enjoin the picketing at the behest of these parties. But the Court said that the § 8(b)(4) remedy for employers for secondary activity is not determinative of state court jurisdiction when the primary dispute is not covered by the NLRA. The majority opinion gave states free rein to prevent such picketing, aimed at **both** union employees and members of the public, on the ground that the picketing in practical terms was the same as that considered in *Windward*. Following earlier precedents holding that federal protection of neutral employers from such picketing is not invalidated by the First Amendment, the majority also rejected the union's constitutional argument. Four members of the Court dissented,

arguing that the §8(b)(4) prohibition of secondary boycotts had been entirely misconstrued, with the result that the application of the section turned on the character of the primary dispute, a result which the Court had previously refused to sanction.

The one union victory in curbing state law interference in union activity was *National Association of Letter Carriers* v. *Austin*. The Court in an earlier case had decided that because of the NLRA's policy promoting free expression in labor disputes, state courts cannot permit libel judgments arising out of statements made in the course of such disputes, unless the statements were known to be false when made or unless those making the statements made no effort at all to find out if they were true. *Austin* differed only in that there was no "dispute" as such—the union was pursuing an ongoing organizing campaign, and published a list of non-joiners along with some graphic characterizations of scabs—and in that the union was covered not by the NLRA but by an executive order, parallel to the NLRA, governing federal employees. Obviously, these are distinctions without a difference, and any result other than that reached in *Austin* would have been insupportable. Nonetheless three Nixon justices dissented, again demonstrating their propensity to ignore legal niceties in order to frustrate union activity.

LMRDA Case

One breath of fresh air was the Court's decision in the only case decided involving election of union officers. The Court held in *Dunlop* v. *Bachowski*, 8-1, that in most instances the decision of the Secretary of Labor not to challenge the outcome of such an election cannot be questioned in court, recognizing that Congress intended that disgruntled union members not be permitted to further their political ambitions by dragged-out litigation. The Court left room for court suits regarding decisions not to challenge elections only if the complaining union member can show that the Secretary's decision on its face manifests a clear neglect of his duties under the law.

Procedures in Federal Employment and Government Benefit Programs

Federal employees are, by virtue of statute, protected from discharge except for certain reasons and pursuant to certain procedures. Similarly, government benefits, such as unemployment insurance, Social Security, and workers' compensation, are provided according to certain criteria and specified procedures. Often, however, the procedures set up to assure that employees' rights to their jobs and to benefits are properly decided take months or even years to pursue. In the meantime, the employees may be deprived of their jobs or their benefits even though it is ultimately decided that they had been wrongfully denied. Thus,

for a person dependent upon these jobs or benefits for his support, vindication can come too late, after a long period without income.

In a series of cases, employees claimed that either the constitutional right to due process of law or the specific statutes covering their situations require that before they can lose statutorily protected jobs or benefits, they must have the opportunity, in a full hearing before an impartial person, to prove that they have been wrongfully deprived. In every case, the Court either dredged up a flimsy reason for not deciding the case or decided, explicitly or implicitly, that the procedures already provided are sufficient.

Arnett v. *Kennedy* involved a nonprobationary federal employee discharged for charging his superior with bribery. His only chance to challenge this decision before termination was before the same superior. While the Court split on the reasons for its decision, five justices, including the four Nixon appointees, regarded the ability to challenge the dismissal later and to receive back pay if vindicated as sufficient; indeed, three members of the Court joined an opinion suggesting that Congress could constitutionally dispense with any hearing at all, prior or subsequent. And Justice White was disturbed only by the fact that the superior charged with bribery was the one official with whom there was any pre-termination confrontation at all. The result is possible to condemn government employees to poverty for a period even if their discharge was totally contrary to law.

Similar in effect was *Sampson* v. *Murray*, in which a federal employee claimed that all the required procedures were not followed before she was discharged. She sought to be reinstated in her job by a federal court while the agency processed her dismissal properly. The Court held, 6-3, that courts can sometimes do this, but only in extraordinary situations. The fact that earnings are lost or reputation damaged by a discharge is insufficient to require reinstatement, it said. This denigration of losses which may be devastating to an employee is symptomatic, perhaps, of the lack of sympathy on the Court for the real problems of real people.

This same tendency to ignore real hardship was demonstrated in two cases in which the Court purported **not** to decide prior hearing issues. In *Fusari* v. *Steinberg*, the issue was whether unemployment benefits can be cut off without a prior hearing on the ground that the beneficiary was not looking for work; in *Dillard* v. *Virginia Industrial Comm'n.*, the problem was whether a person receiving workers' compensation can be deprived of benefits because of a claimed change in his condition before there is a hearing on the issue. The Court, apparently eager to avoid deciding these questions, went outside the briefs and arguments in each case to discover state laws which, it said, might provide a sufficient remedy for the employees. But in neither case did the

state law provide a prior hearing; at best, the laws may have reduced the delay before the final hearings were held. Thus, the Court seems quite willing to tolerate an illegal loss of income for a time, although it may intervene if the time period becomes too long.

Finally, *Christian* v. *New York Department of Labor* involved federal employees applying for unemployment insurance. Federal employees are not entitled, as are other employees, to have the reasons for their discharge, often critical to whether or not they receive benefits, decided by the state agency. Because Christian was a probationary employee he was not, like non-probationary federal employees, entitled at any time to a federal hearing on the reasons for his discharge. He claimed that he must have a full hearing at some point by the state agency. The Court found that Christian did have some additional right in the federal system to challenge the reasons found for dismissal, and, since he had not been notified of these rights or pursued them, refused to decide his case. Once again, then, the Court suggested that less than a full prior hearing may be adequate.

Other Cases

Finally, there was a grab-bag of other cases impinging in some manner on the rights of unions and employees which are related in only one way: In only one instance did the labor position clearly prevail. That the Court could produce in a set of cases unrelated in their underlying issues results almost uniform in this sole respect, and could do so in many instances in opinions flatly contrary to prior cases and statutory language, is another indice of the prospects for progress in the present Court.

The Court held:

1. 5-4, that in determining the coverage of the Fair Labor Standards Act, which regulates wages in enterprises grossing a certain monetary amount yearly, the business of an enterprise which rents and manages property and is paid a percentage of the rents collected as a commission is to be measured only by the commission, not by the rents collected or by the commission plus reimbursed costs. The dissent pointed out that this approach toward the coverage of the FLSA entirely misconceives the purpose of the monetary requirement, which is to assure that federal regulation cover only organizations with a substantial business impact. *(Falk* v. *Brennan.)*

2. 5-4, in an opinion which mutilates the scheme of the immigration laws, that the practice of allowing aliens from Mexico to commute to jobs in this country is valid, without regard to whether they are filling jobs for which there are available workers in this country. *(Saxbe* v. *Bustos.)*

3. Unanimously, that a veteran returning to his job is not entitled to vacation benefits for the years he was in the service if the vacation benefits are premised on working a certain number of weeks a year, despite a statute requiring that he be

treated as if he had kept his job continuously. *(Foster* v. *Dravo.)*

4. 5-3, that an employee of a trucking company which is a subsidiary of a railroad company covered by the Federal Employer's Liability Act is not necessarily entitled to recover under the act for injuries he sustained while unloading railroad cars on railroad property. Instead, he must show that the railroad company itself actually had some day-to-day control over his conduct. *(Kelley* v. *Southern Pacific Co.)*

5. 5-4, that employers attacking a state law providing welfare benefits to strikers can continue their case even after the strike is over. *(Super Tire Engineering Co.* v. *McCorkle.)* This was an odd case, since the Court has been hasty recently, as it was in *DeFunis*, to toss out cases in which there is any argument at all that the controversy between the parties is over. And, strangely, three of the four Nixon justices were in dissent.

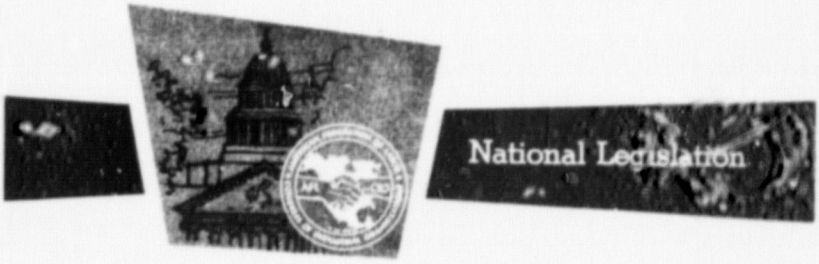
6. Unanimously, that corporate shareholders could not sue in federal court to recover payments made by a corporation allegedly in violation of a federal law, 18 U.S.C. §610, prohibiting corporations (and unions) from making contributions or expenditures, as those terms are defined, out of treasury money to federal election campaigns. *(Cort* v. *Ash.) Cort* is most significant for what it did not decide. The Court, for the fourth time, ducked the issue of whether §610 is constitutional. Also, the Court suggested in a footnote that the entire federal labor law must be consulted to ascertain whether union members may sue in federal court for union violations of §610.

7. 6-3, that if state police officials harrass union organizers and members by frivolous arrests and physical attacks, federal courts can at the behest of the union enjoin these practices in order to protect the right lawfully to organize in unions. *(Allee* v. *Medrano.)* While it should be obvious that federal courts can prevent illegal harrassment of this kind, the present Court has developed various technical reasons for preventing federal courts from intervening at all in state police activities and criminal prosecutions. That *Allee* left at least some room for federal protection and did so in a case involving labor activities was therefore a clear labor victory.

8. 7-2, that the federal government can prevent pay raises to state government employees as part of an emergency anti-inflation program. *(Fry* v. *United States.)* At the same time, the Court set for reargument next term a related case presenting an issue far more important to the labor movement—whether Congress can require states to conform with the Fair Labor Standards Act as regards state employees. *Fry* can be read as withdrawing from an earlier case giving the federal government apparently broad power to regulate states as employers, and may presage a return to the notion that except in unusual circumstances the federal government cannot interfere in state government employment policy.

Conclusion

The message from the last two years in the Supreme Court is clear: Except in the fair employment area, this Court is not the place to look for vindication of the rights of employees and of unions. And, since the opinions of the Supreme Court often have, aside from their obvious effect as binding precedent on the issues decided, an attitudinal effect on decisions by other courts and by the Board, these decision makers are also unlikely in the future to play a progressive role; many judges and administrators do not relish, whatever their personal predilections, being overruled time and again in the Supreme Court.



AFL-CIO Action Program

By early 1975 the recession had become the most prolonged and deepest since the depression of the 1930s. With economic conditions deteriorating monthly, the AFL-CIO General Board met in Washington in late January to develop a comprehensive program to provide jobs and stimulate the economy. (Text of the Action Program is reprinted in the National Economy.)

Noting the steady downward economic spiral and its increasing momentum, the AFL-CIO stated: "The country is on the brink of depression." Adding that public confidence in the government's ability to manage the economy "continues to erode from one record low to another," the General Board urged immediate Congressional and presidential action on a six-point emergency program designed to "put America back to work."

I. An immediate tax cut of at least $20 billion primarily for low- and middle-income taxpayers, to stimulate the economy through added purchasing power.

Specifically, the AFL-CIO urged a $15 billion tax cut in individual income taxes through reduced withholding from paychecks, heavily weighted on behalf of low- and middle-income families, by means of a $70 tax credit per exemption and a 5 percent cut in the tax remaining after exemption credit, with a maximum cut of $375 per return. The federation also supported an increase from 7 to 12 percent in the investment tax credit for business.

Labor rejected as "lopsided" President Ford's $12 billion tax cut proposal for a 12 percent income tax cut up to a maximum of $1,000. His rebate scheme would have amounted to less than $12 to a family of four earning $5,000 and only $157 for a similar size family earning $12,500 a year. In order to receive the maxi-

mum $1,000 rebate, a family would have to have a yearly income of $42,000, thus shortchanging 98 percent of the American people.

The federation also urged that Congress, upon passage of the tax rebate bill, begin work "on closing loopholes of special tax privileges to the wealthy and corporations" in order to raise $30 billion in badly-needed federal revenues and thus reducing the anticipated federal budget deficit.

In mid-February the House Ways & Means Committee reported a $21.3 billion tax cut bill strongly supported by the AFL-CIO. It provided 1974 tax rebates and 1975 tax reductions amounting to $16.2 billion for individuals. During committee deliberations, efforts by liberal Democrats, led by Rep. William Green (D-Pa.), to add an amendment repealing the 22 percent oil depletion allowance were rejected. However, upon taking their case the Democratic Caucus—the policy-making body of the House Democrats—they succeeded in gaining a caucus directive ordering Democrats on the House Rules Committee to allow for floor consideration of the oil depletion allowance repeal amendment.

The AFL-CIO, while reiterating its long-time opposition to the depletion allowance, expressed a priority concern for passage of the tax cut bill as an economic necessity. Fearing a delay in enactment because of a potential Senate filibuster against repeal of the depletion, the AFL-CIO urged that the issue be considered when the Ways and Means Committee begin its work on comprehensive tax reform.

When the House began debate on the tax cut in late February, the major controversy centered around the oil depletion repeal amendment sponsored by Green. An attempt by Rep. Charles Wilson (D-Tex.) to exempt small independent oil producers was narrowly defeated 197-216. The House then approved the Green amendment 248-163.

After rejecting, 160-251, an attempt by Republicans to substitute a weaker Administration-backed tax rebate bill for the labor-backed committee proposal, the House easily approved the tax-cut bill.

By the time the Senate began consideration of the tax legislation the national economic situation had worsened considerably. As a result, the AFL-CIO urged the Senate Finance Committee to increase tax reductions to at least $30 billion. The AFL-CIO also urged improvements in the House-passed bill, including adoption of a proposal by Sen. Walter Mondale (D-Minn.) to give taxpayers an option of claiming a $200 tax credit for themselves and each dependent instead of the existing $750 personal exemption. The AFL-CIO also urged: Reduced tax rates for all taxpayers on the first two $1,000 increments of taxable income providing a minimum $90 savings for most taxpayers; and increasing the 10 percent business investment tax credit in the House bill to 12 percent.

In mid-March the Senate Finance Committee reported a tax-cut bill increasing tax breaks by $9.3 billion over the House bill. The $31 billion bill made three major changes in the House-passed measure concerning individual income tax cuts: (1) the Mondale amendment, (2) reduced tax rates for the four lowest income brackets, (3) a 5 percent tax credit up to $2,000 on the purchase of a home. The AFL-CIO opposed this last provision on the grounds that stimulation of the housing industry would better be accomplished through lower interest rates, the spending of impounded housing funds and allocation of credit for home mortgages. The Finance Committee bill also increased business tax cuts in the investment credit and surtax exemption areas, while expanding the existing loss carryback loophole. The latter provision, costing an estimated $1 billion in revenues, was designed to aid a number of financially-troubled firms.

When the Senate began debate on the bill in late March, a controversy over the oil depletion issue surfaced again with repeated votes on oil industry counter proposals predominating the first two days of debate. In an effort to expedite debate and assure passage of the bill prior to the Easter recess, Majority Leader Mike Mansfield (D-Mont.) offered a substitute bill, cutting taxes by $27.7 billion and providing a one-time $3.4 billion bonus to recipients of Social Security and other federal benefits in the form of $100 checks. Maintaining most of the Finance Committee provisions, it increased the House-passed individual income tax rebate to 12 percent, boosting the estimated revenue disbursement from $8.1 billion to $9.7 billion. The bill also deleted a controversial section providing $1 billion in tax-breaks for financially troubled corporations and restricted the 5 percent home purchase tax credit to new home purchases only. The Senate passed the Mansfield substitute 85-11.

The Senate then agreed, 82-12, to a compromise amendment, introduced by Sen. Edward Kennedy (D-Mass.) and Ernest Hollings (D-S.C.), repealing the oil depletion allowance and allowing a partial exemption for small independent oil producers. It included two proposals by Sen. Vance Hartke (D-Ind.): (1) converting the tax credit for foreign taxes paid by oil companies to a deduction and imposing a 24 percent tax on the foreign oil income, and (2) requiring taxation of all U.S.-based multinational corporation foreign earnings. Both of these provisions were strongly supported by the AFL-CIO. In a separate vote the Senate approved the Hartke provisions 75-20. Although a number of attempts by oil state Senators to gut the oil depletion provisions were rejected, the Senate agreed, 47-46, to an amendment by Sen. Dewey Bartlett (R-Okla.) expanding the depletion allowance exemption for small independent oil producers.

The Senate also approved an amendment by Sen. Philip Hart (D-Mich.) increasing the carry-back business tax loophole, primarily to benefit the financially-troubled Chrysler Corporation. A labor-backed amendment by Sen. Jacob Javits (R-N.Y.) giv-

ing jobless workers an additional 13 weeks of extended unemployment compensation was approved 58-37.

After defeating last-ditch attempts by Republicans to weaken the omnibus tax bill, the Senate approved the measure 60-29.

Four days later, amid threats of a possible presidential veto, conferees completed action on a compromise $22.8 billion tax cut bill, the largest in the nation's history. The bill provided $18.1 billion in individual income tax relief, through $8.1 billion in 1974 refunds and $10 billion in 1975 tax reductions, and $4.8 billion in business tax breaks.

Referred back to the House for approval, Republicans sought to cut the bill back to meet continuing White House objections. An attempt to have the conference report recommitted back to conference—the key Republican effort led by Rep. Herman Schneebeli (R-Pa.)—was narrowly defeated, 197-208. The House then approved the conference report, 287-125, as did the Senate, 45-16. Despite his objections, President Ford signed the measure into law as PL-94-12 on March 29.

Included among the important labor-backed provisions the bill:

- Rebated 10 percent on 1974 personal income tax up to a maximum of $200 and guaranteeing each taxpayer a minimum refund of $100. The $200 maximum was phased down for incomes of more than $20,000 and for incomes over $30,000 the rebate was limited to $100.
- Boosted the low-income allowance—a minimum standardized deduction designed to exempt poor families from paying federal taxes—from the existing $1300 to $1600 for individuals and $1900 for joint returns.
- Increased from 15 percent to 16 percent of adjusted gross income the standard deduction. The maximum allowed for this tax break would be $2,300 for single persons and $2,600 for joint returns.
- Granted a $30 tax credit for each taxpayer and dependent.
- Provided families with at least one dependent child earning an income of $4,000 or less a refundable 10 percent tax credit up to $400. Over $4,000 the credit would be reduced and eliminated at $8,000.
- Repealed the 22 percent oil depletion allowance for major oil companies but maintained it for natural gas production and exempted the first 2,000 barrels of oil pumped daily by a small independent producer owning no retail outlets or major refineries. The exemption would be phased back to 15 percent on the first 1,000 barrels a day by 1984.
- Provided jobless workers who had exhausted their 52 weeks of regular and extended unemployment compensation an additional 13 weeks of emergency benefits.

The conference report gutted the potential $2 billion revenue-raising Hartke amendment by restricting only the use of credits for foreign taxes on oil-related income, thus producing revenue gains of only $270 million. The bill also limited the potential

revenue loss under the new home buying credit from $1.1 billion to $600 million and cut from $100 to $50 the one-time bonus payment from general revenues to those receiving Social Security, Railroad Retirement or supplemental security benefits.

II. Immediate government measures to reduce America's dependence on imported oil and establishment of a fair and equitable system of allocation and rationing.

The General Board criticized President Ford's energy program as "rationing by unfair taxation and high prices" which would "not conserve energy."

The President said his plan would reduce consumption through taxes, raise the price of petroleum, and generate an estimated $30 billion in revenues by imposing import fees on oil imports, an excise tax on foreign and domestic crude oil and natural gas, and a tax on windfall oil industry profits. He called for the removal of oil price controls, deregulation of natural gas prices, development of offshore petroleum resources by oil corporations and relaxation of pollution control standards.

The General Board labelled the so-called windfall profits tax as simply "another excise tax on each barrel of oil which will be paid by consumers," and called attention to the cost to consumers of the President's energy tax proposal on the heels of his support for a totally inadequate tax rebate program.

Instead, the AFL-CIO urged an energy program designed to conserve energy and make the U.S. energy self-sufficient, including a quota on oil imports, government control over oil imports, equitable allocation and rationing.

The General Board also asked Congress to reject the President's plans to deregulate the price of natural gas and decontrol the price of domestic crude oil. Rather, the AFL-CIO called for the termination of any oil or natural gas lease on U.S. lands where supplies were not being fully developed. Additionally, Congress was urged to block the $3 per barrel duty on imported oil, spur development of alternate energy sources, investigate the monopolistic practices of oil companies, create a federal oil and gas corporation, and increase operating subsidies for mass transit development.

In the first congressional confrontation over the President's energy program, the House voted 309-114 in early February to suspend for 90 days the President's authority to adjust oil imports, thus giving Congress time to come up with an alternative energy plan. Two weeks later, the Senate, despite threats of a presidential veto, passed similar legislation 66-28. As expected, President Ford vetoed the legislation on March 4. But, he agreed to postpone for 60 days the second and third dollar increases of the $3 per barrel, and he also postponed his plans to remove price controls on all domestic oil. Although the AFL-CIO urged an override of the veto, the House voted 364-57 on March 11 to

refer the President's veto message to the Ways and Means Committee which was considering comprehensive energy legislation.

About the same time, Congress completed action on the tax cut bill including labor-supported language killing the 22 percent oil depletion allowance for major oil companies but maintaining an exemption for small energy producers which would be phased to 15 percent by 1984. The bill also included labor-supported provisions concerning taxation of unearned income of oil producers.

In early April, the Senate again passed legislation, which was vetoed by President Nixon in 1974, granting the President standby powers to deal with energy emergencies. Opposed by the Ford Administration, the bill authorized the President to ration gasoline, restrict fuel imports and take other steps to control production and use of fuels in an energy crisis. Congress gave itself veto power over some of the emergency powers while blocking the decontrol of oil prices and requiring the President to establish a price ceiling on domestic oil. President Ford had earlier announced his intention to lift all price controls on domestic petroleum by May 1. In the only major fight during Senate debate on the legislation, the Senate rejected, 23-62, an amendment by Sen. Henry Bellmon (R-Okla.) allowing the price of "old" oil to rise immediately to $7.50 per barrel and by 1977 to the level of "new" uncontrolled oil prices. House consideration of the standby energy emergency bill is continuing.

In a related development, the House and Senate approved slightly varying bills strengthening congressional review over presidential action concerning oil prices, including such action as price decontrol or price increases on petroleum production under price controls, as well as the use of tariffs, import fees, quotas or other measures employed to maintain a minimum price for domestically-produced energy. During Senate debate on the bill, an amendment by Sen. J. Bennett Johnston (D-La.) to exempt oil produced by secondary and tertiary recovery techniques from price regulation was approved by a 49-37 vote. An attempt by Sen. Henry Jackson (D-Wash.) to place a ceiling of $7.50 per barrel on the price of the oil decontrolled by the Johnston amendment was defeated 38-46. An amendment by Sen. Richard Schweiker (R-Pa.) to prohibit energy producers from employing pricing practices which charged smaller consumers higher prices per unit of gas or electricity utilized was defeated 25-60. At this writing, House and Senate conferees continue their deliberations on this oil price review policy bill.

Senate action is also pending on legislation reported by the Commerce Committee substantially increasing natural gas prices but falling short of the full decontrol sought by big gas producers and the Ford Administration. A similar provision is contained in energy conservation legislation now under consideration by the House Interstate and Foreign Commerce Committee.

Also pending House action are bills reported simultaneously

by the Armed Services and Interior Committees opening naval petroleum reserves in Elk Hills, Cal., and Teapot Dome, Wyo., for general production. A controversy concerning the transferral of jurisdiction over these petroleum reserves from the Navy to the Interior Department has repeatedly postponed action on this controversial legislation. The AFL-CIO supports intensified production from U.S. military reserves if proper care is taken to maintain strategic reserves at appropriate national security levels and with proper safeguards against exploitation by private interests in the leasing of these reserves.

In late May, with major energy legislation pending in the House, President Ford announced the imposition of his second $1 incremental increase on import fees on foreign oil. The impact of this second step is expected to force the price of gas to near 70 cents per gallon in the near future. Congress could prevent this action as the earlier veto of legislation barring the increase in oil import fees is still pending; however, no action has yet been taken on this veto override. In announcing the second step of the oil import fee increase, the President also announced he would seek an end to price controls on domestic oil. The legislation which authorizes these price controls expires at the end of August. Unless Congress approves legislation extending the existing statute, price controls will be eliminated. As of this writing, legislation extending controls has been sent to the President, who is expected to veto it.

In early May the House Ways and Means Committee reported a compromise energy-tax conservation bill, sponsored by Chairman Al Ullman (D-Ore.), designed primarily to curb domestic consumption of oil and gasoline. In repealing presidential authority to impose oil import fees, the bill allowed the President to set a maximum $1 import tariff and established specific yearly quotas on daily oil imports. In order to encourage conservation, the federal excise tax on gas would be increased by 3 cents per gallon in 1976 with an additional tax if consumption exceeded 1973 levels. It would be imposed starting in 1977 of 5 cent increments to a maximum of 20 cents a gallon. However, the tax would be refunded to most people through a tax credit amounting to the added tax on a basic 40 gallons per month of gasoline for every taxpayer and each dependent age 16 or over. Additional tax credits were also provided for those having to travel to different worksites, such as construction and migrant workers.

The legislation also established 1978 auto fuel efficiency standards based on the fleet-wide average of auto manufacturers with a graduated tax imposed when standards are not met. In order to sidestep a potential loophole whereby U.S. auto manufacturers could use smaller foreign-made imports in their fleet-wide mileage averages, the provision included labor-backed language limiting the fleet average to only those autos with at least 75 percent of their component parts manufactured in the U.S. Tax incentives were included for business and residential expendi-

tures for improved insulation or solar heating equipment, for recycling plants, installations burning waste as fuel, as well as other major energy-saving business investments. An excise tax was also imposed on industrial users of energy. All funds generated through the various taxes, import fees, tariffs, etc. would be used to create an energy fund to finance federal energy conservations, research and development efforts.

Calling the proposal "far superior to the President's energy program which would mean across-the-board price increases in gasoline and fuel for all working Americans," the AFL-CIO strongly endorsed the committee alternative.

However, during House consideration of the bill in early June, key energy conservation provisions of the bill were either eliminated or substantially weakened. Ignoring the fact that the bulk of the gas excise tax increase except for the initial 3 cents per gallon would be refunded, the House voted 345-72 to strike the 20-cent incremental tax increase. Following this, the House approved 209-187, an amendment by Rep. Bill Alexander (D-Ark.) stripping the remaining 3-cent levy from the bill.

The House rejected 166-235 an attempt by Rep. Joseph Fisher (D-Va.) to make auto fuel efficiency standards punitive—an effort opposed by the AFL-CIO. The House then overwhelmingly approved a proposal by Rep. Philip Sharp (D-Ind.) which set efficiency levels similar to the committee bill but provided enforcement through fines against the manufacturer or importer whose car average fell below standards.

In a key vote, the House rejected 185-224 an effort by Rep. Sam Gibbons (D-Fla.) to strike the section of the bill establishing oil import quotas which the AFL-CIO strongly endorsed as vital to energy conservation. However, over the opposition of Ullman, the House approved an amendment by Rep. Joe Waggoner (D-La.) easing future daily import limits.

The House also approved, 244-132, a labor-opposed amendment by Rep. Chalmers Wylie (R-Ohio) tripling the maximum tax credit for investments in residential solar energy equipment. However, the House agreed, 249-170, to an amendment by Rep. William Green (D-Pa.) striking a committee provision increasing from 10 to 25 percent the investment tax credit loophole for recycling used materials. While a long-time advocate of recycling for energy conservation purposes, the AFL-CIO opposed the provision as unnecessarily widening an existing tax loophole that would benefit recycling companies for what they are already doing.

In action on another labor-supported amendment, the House rejected an effort to restore to the committee bill a provision granting authority to federal government to buy and sell petroleum imports—a move seen by many as an effective means to break the international oil cartel. The provision had been stripped from the bill during committee deliberations. The House first rejected 152-265 a strengthening amendment by Rep. Abner

Mikva (D-Ill.) mandating the federal government to buy and sell all oil imports commencing in 1976. The House then approved, 216-196, a bloc of committee amendments which maintained the deletion of the purchasing authority section. A proposal by Rep. Bella Abzug (D-N.Y.) requiring that 25 percent of the energy trust fund revenues be spent for research and demonstration projects in local or regional mass transits was defeated, 117-240. After consideration of other amendments the House approved the energy bill, 219-130.

The Senate Finance Committee is expected to begin deliberations in the near future.

In a related development, the House in late June approved a $3.9 billion appropriation level for energy research and development in 1976. Senate committee deliberations continue on this measure.

III. Immediate reduction of interest rates and allocation of credit for high priority social and economic activities.

The General Board stated flatly that lower interest rates are essential to restore the "health of the building industry and to encourage the general expansion of sales, production and employment." To accomplish this, it urged Congress to mandate the Federal Reserve Board to reduce interest rates and allocate credit in the absence of a presidential directive to do so as allowed under the 1969 Credit Control Act.

The AFL-CIO requested presidential reactivation of congressionally-authorized and funded housing programs for low- and middle-income wage earners, as well as a 6 percent interest rate for FHA and VA home mortgages. The federation also advocated the establishment of a government agency "lender of last resort" for business and state and local governments with low interest rates designed to preserve and create jobs in the private sector and assist state and local governments in maintaining and expanding public facilities and services. Congress was also asked to review government regulations blocking the awarding of federal funds for construction of housing and to conduct a review of federal housing programs in order to expand these efforts, better coordinate existing programs and reduce unnecessary red tape.

Under pressure, President Ford reluctantly released $215 million in impounded funds for low-interest loans to developers of housing for the elderly and the handicapped. However, the Administration countered with a budget request to rescind $264 million in Department of Housing and Urban Development funding for the homeowners subsidy program. Despite House rejection of this request, the Administration refused to release these housing funds. As a result, the General Accounting Office filed suit in mid-April to force the Administration to spend these funds.

Concerning the Federal Reserve Board, Congress in mid-April passed a watered-down version of legislation directing the board

to reduce interest rates and allocate credit. A concurrent resolution, having no force, was approved which only urged the Fed to pursue policies encouraging lower long-term interest rates and an expansion of a monetary and credit supply.

In early June Congress completed action on a labor-backed $1.35 billion housing subsidy bill designed to stimulate the construction or rehabilitation of some 500,000 housing units over the next year and create an estimated 800,000 jobs in construction and related industries. In providing federal interest rate subsidies, the legislation was designed to bring monthly payments on new housing within the reach of nearly 400,000 average-income families. Subsidies available under the bill were in three forms: (1) a homebuyer assistance program of $300 million worth of mortgage reduction grants to reduce mortgage payments to a level reflecting a 6 percent interest rate and applying fully for the first year of mortgage and then phasing out over the next three years; (2) a $400 million program of one-time, $1,000 homebuyer incentive payments; and (3) authorization for the Government National Mortgage Association (GNMA) to make 7 percent mortgages available. The bill also included a program of loans of up to $250 a month for 24 months, repayable at an 8 percent interest rate, for unemployed homeowners two months behind on their mortgage payments and threatened with foreclosure. This program, the first of its kind since 1930, was passed as separate legislation in the House but grafted on to the housing subsidy bill in the Senate and maintained in the conference report on the bill.

In mid-June President Meany wrote the President urging him to sign the emergency housing legislation in order to aid "America and her families who need both jobs and homes." Pointing to its employment and housing benefits, Meany said the bill would "increase employment, reduce unemployment relief expenditures and increase tax revenues" and produce a "net reduction in the budget deficit."

Ignoring this, the housing crisis and an unemployment rate in the construction industry of 21.8 percent, President Ford vetoed the housing bill in late June. On the heels of a number of vetoes of other labor-backed jobs legislation, Meany blasted the Administration for once again placing "the deficit ahead of peoples' needs for homes and jobs." Warning that the "human recession of unemployment will continue for the rest of this decade unless strong actions are taken now." Meany strongly urged the House to override the President's veto.

However, on June 25 the House, in a key 268-157 vote, fell 16 votes short of the two-thirds votes needed to override the veto. Almost immediately after this defeat, the Senate and quickly approved a substitute bill that was tailored largely to meet Administration objections. It retained a standby mortgage foreclosure assistance for the unemployed provisions of the vetoed legislation.

IV. Immediate massive federal efforts to create jobs for the Unemployed.

In order to put Americans back to work, the AFL-CIO urged emergency action on a four-point job-creation program which included: (1) release of a substantial portion of over $19 billion in impounded appropriated funds for such programs as construction of water, sewer and waste treatment plants, federal aid to highways, and hospital construction and modernization; (2) immediate congressional action on an accelerated public works program providing minimum of $2 billion in grants to communities with high unemployment; (3) full funding and expansion of the public service employment program passed by Congress in late 1974; and (4) expansion of federal programs to provide assistance to young people to both stay in school as well as provide funds for summer job programs.

Early in the year, President Ford reluctantly released $4 billion of the $9 billion that he had impounded in construction grants for sewers and waste treatment plants. The Supreme Court in mid-February, however, ordered the President to release the remaining $5 billion. Of the monies impounded for federal highway funds, $2 billion was released with the remaining amount still the subject of a continuing court fight regarding impoundment of these funds.

But the President also asked Congress to approve over $2.2 billion in budget recissions for 1976 including $1.2 billion in health, education and welfare programs. He also sought to eliminate $264 million in housing subsidy assistance. However, under the new budget review procedure, Congress in early April rejected all but 12 percent of the Administration's recission requests and by so doing effectively forced the White House to spend the funds appropriated. Later in the month, the Senate took action to force release of over $9.1 billion in federal highway funds impounded by the Ford Administration in 1974 which also included $6.4 billion in fiscal 1975 spending.

On jobs legislation, the House overwhelmingly passed, 313-113, a $5.9 billion emergency jobs bill designed to create at least 900,000 jobs. Strongly backed by organized labor, the bill included funds for public service employment, public works projects which had been authorized but not yet funded, summer youth jobs and college work study programs. During House debate, Rep. Robert Michel (R-Ill.) led Republican efforts to cripple the legislation which was strongly opposed by the Administration. A motion by Michel to recommit the bill with instructions to slash nearly $3 billion from it was defeated 109-315.

Five weeks later, the Senate passed, 53-14, a similar bill allocating $6.1 billion in emergency jobs-creating funds. The bulk of the increase over the House-passed bill was for a labor-backed $700 million railroad track and roadbeds revitalization program. An effort by Sen. Bennett Johnson (D-La.) to cut by one-half

the $1.6 billion allocated for public service jobs was defeated by 22-47 vote.

About one week later, amid threats of a presidential veto, House-Senate conferees completed action on a $5.3 billion emergency jobs bill creating more than one million jobs. The conference report removed the railroad roadbed amendment which was being considered by the House in separate legislation. In its final form, the bill allocated $4.7 billion in new budget spending—$2.3 billion for direct job creation programs, including funds creating 180,000 public service jobs, 840,000 summer jobs for youth and providing $119.8 million for part-time jobs for college students under work-study programs. The bill also included $30 million for community service employment for older Americans—a program the Ford Administration opposed. On May 16, the House voted 293-109 and the Senate on a voice vote approved the compromise conference report on the labor-backed jobs bill.

However, President Ford, forecasting an upturn in the employment situation, vetoed the bill on May 28. One day later the Administration predicted that some 7.5 million workers would remain jobless throughout the next year.

The AFL-CIO led a major effort to override the President's veto. Meany condemned the President's action and called the bill as "an absolute first step if the human recession of unemployment is to be turned around." Stating flatly that the "answer to America's economic problems is jobs," he urged the House to override the President's veto. However, the House, by a 277-145 vote, failed by five votes to muster the two-thirds majority vote necessary. Despite this setback, the $473.3 million summer youth jobs program was resurrected, passed by Congress on June 12 and signed by President Ford.

Eight days later, Congress cleared for presidential approval a continuing appropriations resolution which included nearly $2.4 billion in fiscal 1976 appropriations for a number of jobs programs contained in the vetoed bill. The bill included $1.6 billion for public service jobs, $375 million to complete financing of a $500 million public works construction program, identical funding as in the vetoed bill for the college work study and older Americans community services programs, as well as $70 million for work incentive (WIN) programs and $10 million for Youth Conservation Corps. The legislation also provided $150 million for the world water and sewer grants program. Along with the summer youth jobs program, Congress thus repassed $2.85 billion of the vetoed emergency jobs—$850 million more than the President indicated he would accept when he vetoed the emergency bill.

Concurrent with congressional consideration of the emergency jobs bill were deliberations on a $5 billion public works and capital investment authorization bill. Designed to create at least 250,000 jobs in the construction of needed public facilities, the labor-backed bill would aid the depressed construction industry

by fully funding state and local public works projects where on-site labor would commence within 90 days of project approval.

The bill placed priority on areas of high unemployment and maintained Davis-Bacon Act wage standards for all construction funded by the bill. The AFL-CIO strongly backed the legislation, pointing to the success of the 1962 accelerated public works program.

In mid-May the House Public Works Committee reported the legislation sponsored by Rep. Bob Jones (D-Ala.) and Bob Roe (D-N.J.). On May 20, the House, by a 313-86 vote, passed the bill, despite continuing threats of still another presidential veto of jobs legislation. At the present time Senate hearings are continuing.

Congressional deliberations are also continuing on legislation authorizing $5 billion to finance $500,000 public service jobs in 1975-76. During Senate hearings on the legislation the AFL-CIO backed the general thrust of the bill as "a step in the right direction," but urged that the funding level on the bill be doubled in order to create one million public service jobs during the current unemployment crisis. The AFL-CIO also advocated that the $10,000 salary ceiling be lifted so that cities in high-cost areas could hire persons with needed jobs skills. Hearings are also underway on legislation authorizing over $2 billion for the revitalization of railroad track and roadbeds which had been included in the emergency jobs bill but deleted in conference. The AFL-CIO continues to back this legislation which is now under consideration by the House and Senate Commerce Committees.

In related developments, Congress in late May approved legislation designed to accelerate highway construction by temporarily increasing the federal share of matching funds in states for certain highway and mass transit projects. The legislation authorized states to use $2 billion in previously-impounded highway funds as well as the $9.1 billion that the Senate had previously ordered released in late April.

V. Immediate action to protect existing jobs from unfair foreign competition

Specifically, the General Board urged the imposition of quotas on imported industrial goods in those areas where U.S. production has declined in recent months; import restrictions against countries whose trade practices adversely affect U.S. commerce; export controls on raw materials and other products in short supply through a system of monitoring and licensing. Concerning the activities of multinational companies, the federation advocated removal of the tax deferral for tax payment on foreign-earned profits, the foreign tax credit and Sections 806:30 and 807 of the tariff code, as well as regulation of the export of U.S. capital and technology causing the loss of American jobs.

Yet, despite the declining U.S. position in world trade and ever-expanding deficits in the balance of payments, no significant

action has been taken by the Executive or Legislative branches. However, as part of the tax rebate bill, Congress partially eliminated the deferral of tax payments on foreign earned profits and partly repealed the foreign tax credit. Currently, legislation is pending to repeal Section 806:30 and 807 of the tariff code. Under these provisions U.S. companies assemble products in foreign countries and ship them into the U.S. as "Made in U.S.," paying only a minimum duty on the so-called "value added."

In a related development the AFL-CIO strongly opposed legislation amending the 1974 Trade Act expanding the list of countries qualifying for duty-free shipments of products to U.S. markets.

VI. Immediate government assistance to the unemployed to minimize their hardships

The AFL-CIO urged congressional action to substantially improve the nation's unemployment insurance system; provide health care to the millions of workers who lose their health insurance coverage as a result of being unemployed; provide increased federal assistance for welfare programs; reject Administration efforts to increase the cost of food stamps to the unemployed and the poor.

With over 2 million people eligible for food stamps during 1974 and the eligibility roles increasing as unemployment skyrocketed, President Ford nonetheless proposed to require families receiving stamps to pay substantially more for their food stamps. But in early February the House and Senate overwhelmingly rejected this proposal, passing legislation prohibiting the Agriculture Department from implementing proposed regulations to effect this cost increase.

In a related development, the Senate in early [illegible] approved, as part of legislating affecting welfare recipient[illegible] gibility for food stamps, an amendment to expedite the processing for eligibility for the food stamp program. With so many persons unemployed eligible for this program certification for benefits often takes many weeks. The labor-backed amendment introduced by Sens. Robert Dole (R-Kan.) and George McGovern (D-S.D.) will provide 30 days of food stamp benefits to households which appear to be eligible, during which time they would be investigated as to certification for eligibility. The legislation is now pending in the House.

In another development, the House, in approving legislation making changes in the school lunch program provided eligibility for free benefits to the children of unemployed workers. Senate action on this is pending.

An additional 13 weeks of unemployment benefits for workers in states with high unemployment was approved by Congress as part of the tax rebate bill. A temporary extension which expires June 30 will affect some 250,000 unemployed workers who had exhausted their 52 weeks of unemployment compensation to

which they were entitled under a special provision of the unemployment law. Hearings on labor-backed proposals revamping the entire unemployment insurance system began in mid-July.

Meanwhile, in late May the House overwhelmingly passed legislation reported out by the Ways and Means Committee continuing through June 1976 the emergency program of 65 weeks of combined state and federal unemployment assistance. The special 26 weeks of coverage for jobless farm workers, domestic and state and local government employees not covered by regular state and federally-financed unemployment benefits programs would also be continued and extended from 26 to 39 weeks. During Senate Finance Committee hearings, AFL-CIO spokesmen urged that the emergency extension not be subjected to a time limitation in view of the fact that large scale unemployment is expected to continue for the next few years. The federation urged that the 13-week extension of additional jobless benefits be extended indefinitely so workers who have exhausted all benefit entitlement after June 30, 1974 be also made eligible for emergency extended benefits. These workers have been previously ineligible for emergency benefits.

However, the Senate Finance Committee in reporting its version of the legislation, restricted the 65 weeks of benefits available to jobless workers in states where the insured unemployment rate was 6 percent or higher. Thos out of work in states with unemployment between 5 and 6 percent jobless workers will be eligible for 52 weeks of benefits while those of states with less than 5 percent unemployment would receive 39 weeks. Another regressive change provided that a worker refusing job training or employment less suitable or which paid less than his previous employment would be denied benefits after the 39 weeks. With these objectionable provisions the Senate passed the bill on June 20 by a lopsided 70-3 vote.

In the House-Senate conference which followed, the House accepted the Senate formula tying the availability of the benefits to the severity of employment in each state, as well as a Senate provision providing 39 weeks of benefits through 1976 to jobless workers not covered under the state-federal compensation system. However, the House conferees balked at the Senate provision prohibiting benefits to those jobless workers refusing training or a less suitable job and the provision was dropped. On June 26 the Congress approved the conference report and four days later President Ford signed it into law.

House and Senate deliberations are continuing on labor-backed legislation to provide health benefits for the unemployed. During hearings on this labor-backed legislation, the AFL-CIO supported a proposal, introduced by Sen. Edward Kennedy (D-Mass.) and others, continuing health insurance coverage to be paid for by the federal government which was provided unemployed workers by their last employer. The AFL-CIO also expressed support for an automatic eligibility for Medicaid without a "means" test

for jobless workers not having health insurance coverage in their last employment. The cost for this program would be met by federal funds without a state matching payment. This provision is contained in separate legislation from the Kennedy bill. The Administration strongly opposes this legislation.

Health insurance coverage for the unemployed has become the victim of a four-way jurisdictional battle between congressional committees. It is doubtful that it will be resolved.

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The General Board also expressed opposition to President Ford's proposed 5 percent limit on cost of living adjustments for Social Security and other government retirement programs, as well as a 5 percent lid on a pay increase for federal employees. The House Budget Committee, under the new congressional budgetary review procedural, reported out as part of its tentative overall 1976 spending bill a provision agreeing to a 5 percent lid on federal pay and only a 7 percent increase on Social Security and other retirement programs. However this action was reversed during debate on the bill when the House agreed 227-128 to an amendment by Rep. Thomas O'Neill (D-Mass.) removing these ceilings.

Jobs And The Economy

The Federal Budget

In the major battle of the first session, Congress failed to adequately increase expenditures in President Ford's proposed fiscal 1976 budget in order to provide funds necessary to finance a number of emergency job-creating measures strongly backed by the AFL-CIO. The result of congressional inability to provide a budget with sufficient economic stimulus is that unemployment will remain intolerably high for years.

President Ford proposed a $349 billion federal budget for fiscal 1976 with a deficit of $51.9 billion. Despite a forecast of unemployment averaging over 8 percent for 1975, the Administration budget concentrated on containing the deficit and slashing social program spending.

While spending was increased in defense and energy, the budget proposed a cutback of $17.5 billion for social programs through program terminations, spending deferrals and ceilings. Cuts of $6.1 billion were proposed to take effect through a 5 percent ceiling on federal pay raises and a similar 5 percent ceiling on retirement plans such as Social Security and railroad retirement. In other programs such as Medicare, child nutrition, food stamps, educational funds aid and public assistance, the President proposed simila. program spending curbs.

In early March the newly-created House and Senate Budget Committees began hearings on the Ford Administration's pro-

posed budget. During these hearings the AFL-CIO rejected the "doomsday" predictions of the Administration budget-deficit "alarmists" over the inflationary impact of increased federal spending needed to turn the economy around. The AFL-CIO urged measures "assure a balanced full employment economy with rising real incomes and expansion of badly-needed public facilities and services."

However, the House and Senate Budget Committees later reported budget bills with tentative spending targets falling far short of the funding levels necessary to stimulate a strong economic recovery.

The House Committee reported out a $368.2 billion tentative budget bill with a $73.2 billion deficit, including ceilings on retirement programs and federal pay increases at 7 and 5 percent respectively. When floor debate began on the budget resolution in early May, the House first approved, 227-180, an amendment by Rep. Phil Landrum (D-Ga.) cutting federal spending by 2 percent across the board. However, the House later reversed itself approving 227-128 a labor-backed amendment by Majority Leader Thomas O'Neill (D-Mass.) restoring these budget cuts while eliminating the ceilings on federal pay, retirement and other income-support programs. The House also approved a proposal by Rep. Henry Reuss (D-Wis.) reducing the budget deficit to $70 billion, by calling for $3 billion in increased revenue to be raised through tax reform. The House narrowly approved the budget resolution by a 200-196 vote.

The Senate Budget Committee reported out a $365 billion bill with a proposed deficit of $69.6 billion. When the bill reached the Senate floor for consideration in early May, a number of Senate liberals led by Senators Walter Mondale (D-Minn.), Jacob Javits (R-N.Y.), Hubert Humphrey (D-Minn), Harrison Williams (D-N.J.) and Richard Schweiker (R-Pa.) led a labor-backed effort to add $9 billion for temporary economic recovery programs. It included funds for accelerated public works, public service employment, aid for local governments, housing and health insurance for the unemployed. However, the Senate rejected the amendment 29-64. After defeating attempts by Senate conservatives to further reduce slash spending, the Senate then passed the budget bill by 69-22.

About a week later, Congress completed action on a compromise $367 billion budget bill with a $68.8 billion deficit. The AFL-CIO soundly condemned the budget bill as "totally inadequate . . . ignoring the human needs of millions of Americans desparately seeking help."

In September, following action on the 13 regularly appropriated bills, Congress will consider reconciliation resolutions from the Budget Committees. The AFL-CIO will press Congress to increase its tentatively budget targets so that the economy recovery might be achieved.

Economic Controls

The imposition of one-sided, inequitable wage-price controls on August 15, 1971 led in large part to runaway prices in 1973 and 1974 while worker-buying-power seriously eroded.

The 1973 AFL-CIO convention urged controls "be ended and the nation returned to a fair and free economy."

Early in 1974 the House and Senate Banking Committees killed Administration-backed proposals to extend limited economic controls. However, Sen. Edmund Muskie (D-Me.), backed by Senate Democrats, attempted to revive controls during May debate on a minor appropriations bill. His amendment, strongly opposed by the AFL-CIO, would have allowed one-year discretionary presidential power to reimpose wage-price controls. It was rejected, 56-32.

Later in the session Congress overwhelmingly approved legislation establishing a Wage-Price Stability Council with no powers. During Senate debate in mid-August, two attempts to reimpose a temporary wage-price freeze were defeated despite heavy Democratic support. With workers' buying power suffering from 17 months of continuous decline, the Senate rejected a proposal by Sen. Adlai Stevenson, III (D-Ill.) providing the President with power to delay wage and price increases for up to 90 days. A following amendment by Jacob Javits (R-N.Y.) to allow the monitoring council to delay wage and price increases for 60 days was similarly defeated 50-35.

In early March 1975 the Senate Banking Committee held hearings on legislation to extend the life and expand the powers of the Wage and Price Stability Council. The AFL-CIO strongly opposed any widening of the present authority of the council.

In mid-April the committee reported out legislation simply extending the life of the council through 1977. However, during debate, the Senate approved 49-39 a Stevenson amendment expanding the powers of the council by giving it the authority to obtain information, with subpoena power, on prices, wages, costs, profits and productivity. An effort to table the amendment failed 41-47. The House has not yet acted on this legislation.

Energy Crisis

In late 1973 the House and Senate failed to reach agreement on a compromise emergency energy bill giving the President certain powers to deal with the energy crisis, extending unemployment benefits for energy-related job loss and restricting windfall profits of oil and coal companies.

Postponed until the second session, the Senate bowed to Administration and oil industry opposition to profit controls and voted 57-32 to recommit the report to conference. A week later, conferees filed a second report which replaced the windfall profits restriction with a price ceiling on domestic crude oil, while expanding unemployment benefits. Sen. Henry M. Jackson

(D-Wash.) asserted oil price ceilings would save consumers $7.7 billion yearly. Ignoring President Nixon's veto threats, the Senate passed the conference report 67-32, after first rejecting, 38-60, a motion by Sen. Paul Fannin (R-Ariz.) to recommit it.

During House debate, an effort by Rep. John Anderson (R-Ill.) to strike the price rollback/control provision was rejected 173-232. Attempts to delete presidential authority to impose mandatory energy conservation plans with congressional review and to impose rationing of crude oil were also defeated. The House then approved the energy conference report 258-151.

On March 6, the President vetoed the bill, criticizing oil price controls and expanded unemployment benefits. On the same day, the Senate failed, 58-40, to obtain the two-thirds required to override the veto.

In House debate on legislation creating a Federal Energy Administration, Rep. John Dingell (D-Mich.) offered as an amendment the vetoed energy price-ceiling provision. Although first passed, 218-175, on March 7, the House one day later reversed itself 163-216. The energy agency legislation was later approved and signed into law.

Six weeks later, during Senate Commerce Subcommittee hearings, the AFL-CIO urged increased federal regulation of gas and oil companies, as well as creation of a federal oil and gas corporation to provide cost yardsticks for the exploration and development of energy sources. The AFL-CIO also asked Congress to consider requiring oil and gas companies to obtain certificates of necessity and convenience, similar to those required of public utilities. No further action was taken on this labor-supported program.

A final House attempt to resurrect the vetoed emergency energy bill also failed. Rep. Harley Staggers (D-W.Va.) sponsored legislation to roll-back and impose a ceiling on the price of domestic crude oil, require the President to establish a price ceiling on imported oil and prohibit oil companies from passing on to consumers foreign charges (such as taxes and royalties) which they deduct from their U.S. income tax liability. The Staggers bill also contained an unemployment benefits provision.

When the House Rules Committee refused to grant a debate rule, Staggers attempted to take the bill directly to the House floor under an expedited parliamentary procedure known as "suspension of the rules." This requires a two-thirds vote, and it was rejected 191-207.

This marked the last attempt by the 93rd Congress to protect the American public from oil industry price gouging.

Oil Investigation

During consideration of the 1975 Agricultural Appropriations bill, which included FTC funding, the House approved a labor-supported amendment introduced by Rep. Jamie Whitten (D-

Miss.) to restore over $1 million to the FTC budget. The funds would allow the agency to effectively continue its anti-trust investigation of eight major oil companies, as well as to complete a congressionally-mandated study of the energy industry. The Whitten measure also specifically earmarked over $2 million for the energy industry investigations out of the total $38 million FTC appropriation. President Nixon later vetoed this bill, however a second agricultural appropriations bill, passed by Congress in early December and signed by President Ford, retained the FTC funding provision.

Consumer Price Index

In late March 1974 the Bureau of Labor Statistics proposed to scrap its existing monthly Consumer Price Index for urban wage earners and clerical workers replacing it with one including high-income executives and professionals, the unemployed and retired persons. President Meany criticized this effort as an attempt to "undermine the present intent and uses of the CPI . . . which could have adverse effects on union negotiating and on cost of living escalators . . . and (would) probably understate inflation in a time of rapidly rising prices."

Although the proposal was abandoned during later Senate consideration of a fiscal 1975 supplemental appropriations measure, the Labor Department requested permission to transfer $600,000 in appropriated funds to develop the second index. The AFL-CIO opposed this transfer of funds as adversely affecting funding for other existing Labor Department programs. The conference report on the supplemental bill approved a transferral request of $300,000.

Tax Justice

Although the House Ways and Means Committee held hearings on various tax reform proposals in 1973, no legislation was reported by the committee. Year-end efforts to effect minimal tax reform in the House and Senate failed.

During House hearings, the AFL-CIO once again put forth a seven-point tax reform agenda including elimination of: tax subsidies for corporations investing and profiting overseas; business tax giveaways contained in the Revenue Act of 1971; special tax privileges for oil, gas and other mineral industries; tax exemptions on interest income from state and local bonds; the maximum tax provision, and various tax avoidance devices benefiting only the rich. The AFL-CIO also backed a major overhaul of federal estate and gift taxes.

Again in 1974 no action was taken on tax reform despite revelations early in the year that President Nixon paid only $792 in federal income taxes on a 1970 income of $262,942—about the same as a worker with three dependents who earned $8,250. During four years of his presidency, Nixon paid federal income taxes

amounting to only 7 percent of his earnings, compared to an average working family which pays about 20 percent.

Although domestic energy producers were reaping huge windfall profits during this period, Congress also failed to enact any kind of excess-profits tax. During Ways and Means Committee hearings, the AFL-CIO called on Congress to put a halt to this inflationary profiteering by imposing a "stiff tax on excess profits" similar to that in effect during the Korean War. The federation also urged:

- Immediate elimination of the depletion allowance on foreign-produced oil;
- An end to the foreign tax credit that has encouraged oil companies and other multinational firms to invest overseas at the expense of the domestic economy and American jobs;
- Treating taxes paid to foreign countries as a deductible cost of doing business, not as a dollar-for-dollar credit against a firm's U.S. tax obligation;
- Taxing profits of foreign subsidiaries of U.S. corporations in the year in which they are earned, with losses from foreign operations deductible only from the income of such operations;
- Phasing out the 22 percent oil depletion allowance loophole for domestic oil and gas operations, with a similar phaseout for the "intangible drilling costs" loophole.

In May 1974, the committee reported legislation providing for a windfall profits tax, phasing out the oil depletion allowance and revising foreign tax procedures. However, the full impact of the legislation would not have been felt for several years, thus allowing billions of dollars in windfall profits to escape all but token taxation. The AFL-CIO, therefore, urged the House Rules Committee, which determines procedures for floor debate, to reject Chairman Wilbur Mills' (D-Ark.) recommendation of a closed rule. A closed rule would foreclose floor amendments to the bill, including two AFL-CIO-supported amendments. The first, by Rep. William Green (D-Pa.), would have ended the oil depletion allowance as of Jan. 1, 1974. The second, by Rep. Charles Vanik (D-Ohio), would have converted the foreign tax credit to a deduction.

Meanwhile the House Democratic Caucus, the principal Democratic policy-making body, voted to direct the Rules Committee to allow consideration of the two labor-backed amendments. Mills first indicated he would invoke a little-used procedure whereby a revenue bill could be taken straight to the floor under an open rule, without going through the Rules Committee. However, because of opposition to this obvious sidetracking of the Rules Committee, and the caucus directive, Mills backed off this proposal and instead shelved the entire bill. Later attempts by Mills to resurrect the bill as part of a larger tax measure, strongly opposed by tax reform advocates, failed. His tactics killed hopes

of enacting an excess profits tax and phasing out the oil depletion allowance in the 93rd Congress.

Late in the session, Ways and Means began considering a more comprehensive tax measure primarily intended to simplify income tax filing procedures. During committee deliberations, the AFL-CIO urged scrapping the pending bill, characterized as "running contrary to tax reform."

Under the guise of simplifying the filing of individual income tax returns, the committee proposal made only minimal reform in the minimum income tax provision while expanding capital gains loopholes and those affecting the taxation of foreign-earned income. In order to offset revenue losses from widening these loopholes, the bill proposed to raise over $3.2 billion from low- and middle-income taxpayers, by eliminating the deduction for state gasoline taxes; cutting back deductions for medical costs and casualty losses; allowing deductions for miscellaneous items such as union dues, work clothes and tools only when they exceeded $200; eliminating the deduction for employee contributions to state disability funds, and disallowing the sick pay exclusion which allows workers to exclude from taxes a segment of wages paid while sick or hospitalized.

Final action on the tax bill was postponed until after the congressional elections. The committee reported a scaled-down version of this legislation in late November. Continuing opposition to this legislation, coupled with a major restructuring of the Ways and Means Committee by the Democratic Caucus meeting to organize for the 94th Congress, as well as the resignation of Mills as committee chairman, prevented further action on tax legislation in 1974.

In early 1975, Congress, as part of a labor-supported $22.8 billion tax cut bill agreed on compromise language repealing the oil depletion allowance for major oil companies but maintaining an exemption for small oil producers. The tax cut bill also approved modified language limiting the amount of foreign oil taxes that could be subtracted from U.S. income tax obligation and tightened loopholes relating to foreign-earned income.

The Ways and Means Committee has scheduled hearings on comprehensive tax reform for later this year.

Foreign Trade

The AFL-CIO has long urged Congress to remedy the nation's increasingly serious foreign trade and investment problems directly associated with the rapid growth of large U.S.-owned multinational companies and the export of American jobs abroad.

In the 93rd Congress the AFL-CIO renewed support for legislation introduced by Sen. Vance Hartke (D-Ind.) and Rep. James Burke (D-Mass.) specifically designed to save American jobs. Among other provisions, the Burke-Hartke bill would have:

- Closed preferential tax loopholes which spur runaway pro-

duction, by allowing only a tax deduction—rather than a tax credit—for taxes paid to foreign governments by multinationals.

- Implemented a "sliding door" quota system to regulate the torrent of foreign imports, guaranteeing U.S. production of a fixed percentage of domestic markets.
- Authorized the President to regulate the outflow of capital, equipment, technology and patents that would adversely affect production and employment.
- Repealed sections of the Tariff Code allowing U.S. companies to assemble products overseas and import them as "Made in U.S.," paying only a minimum duty on the "value added."
- Improved processing of anti-dumping complaints, making injury easier to determine and relief easier to apply.
- Collected information on foreign trade and labeling, including effects of U.S. foreign grant and loan programs on domestic production and jobs.
- Established a Foreign Trade and Investment Commission to administer trade programs.

In the first session the House disregarded the Burke-Hartke bill and passed legislation strongly supported by the Administration. As reported by the Ways and Means Committee, the bill gave the President sweeping and unprecedented authority to take whatever action he deemed necessary to "fight inflation" and end trade imbalances, subject only to limited congressional veto power.

Among other negative aspects, it allowed the President to negotiate away non-tariff safeguards as "impediments" to trade, thus endangering present laws on product safety, consumer protection and environmental standards. The bill also permitted special zero tariffs on imports from so-called emerging nations, such as Taiwan, South Korea, Singapore, Haiti and other low-wage enclaves which have already taken over huge segments of U.S. production in electronics, textiles, apparel and shoes. Additionally, existing laws, many already ineffective, concerning countervailing duty, escape clauses and anti-dumping would be weakened. Further, the bill permitted the President to arbitrarily increase the imports of goods from any country by eliminating voluntary agreements ending import restrictions or suspending duty laws now in effect.

The bill did nothing for workers except continue the federal dole of "adjustment assistance." This has been a proven failure as only 50,000 workers have received such assistance in more than 10 years.

In 1974 Senate Finance Committee hearings on the trade bill, President Meany stated the Administration's trade bill was "totally obsolete."

The Finance Committee, however, reported out a trade bill in late November which largely resembled the House measure, particularly in the area of broad, undefined presidential negotiating

powers. The AFL-CIO branded the committee bill "the wrong legislation at the wrong time—with a built-in guarantee of further loss of American jobs." It urged the Senate to reject the measure.

When the Senate began debate on the legislation on December 11, proponents of the committee bill, led by Sen. Russell Long (D-La.) and Robert Byrd (D-W.Va.), in an unusual parliamentary tactic filed a cloture motion—usually employed as a means to end a filibuster—to prevent consideration of a number of labor-supported amendments pertaining to taxation of multinational corporations and other matters. The AFL-CIO strongly opposed the cloture motion as precluding substantive debate on germane amendments designed to revise the trade bill. The Senate two days later by a vote of 71-19, invoked cloture. The only major amendment voted on was one by Sen. Thomas McIntyre (D-R.I.) restricting the President's authority to reduce tariffs, duties or imports when a specific import captured 33⅓ percent of the domestic U.S. market. It was rejected, 35-49.

In the only other controversy during debate on the bill, the Senate adopted a compromise amendment favored by Sen. Henry Jackson (D-Wash.) regarding extension of the most-favored nation (MFN) trade status to the Soviet Union. This issue had been a focal point during House debate, when it passed a labor-supported amendment by Rep. Charles Vanik (D-Ohio) denying MFN status to Communist nations restricting free emigration from their countries. The issue involved restrictive barriers Communist-bloc nations have constructed to discourage or prevent Jewish citizens and intellectual dissidents from leaving the Soviet Union. The Administration opposed this restriction as interfering with their policy of so-called "detente" with the Soviet Union. (See Foreign Affairs: U.S.-Soviet detente.)

Jackson's compromise authorized the President, for a period of 18 months following the bill's enactment, to waive denial of MFN status after he had received assurances from a Communist-bloc nation that its immigration policies would henceforth lead to substantially free emigration. This waiver could be extended upon approval by a concurrent resolution passed by both Houses of Congress.

This compromise was the basis of an agreement supposedly worked out between Jackson and Secretary of State Henry Kissinger, whereby the Soviet Union would have to meet certain conditions concerning its emigration policies in order for the President to certify to Congress that their practices were leading to substantially free emigration policies—a precondition to granting MFN status.

Although allegedly based on so-called "clarifications" of Soviet policies given to Secretary Kissinger from President Ford who had received them from Soviet leaders, the Soviet Union one week later repudiated the Jackson compromise and their 1972 trade pact with the U.S.

In a House-Senate conference which followed, conferees retained the Jackson compromise on MFN status for the Soviet Union. In late December, Congress approved the bill, later signed by President Ford as PL-93-618.

Export-Import Bank

The Export-Import Bank was originally established over 40 years ago to aid industrial development of underdeveloped nations by providing low-cost loans and insured or guaranteed export credits extended by American firms in order to promote U.S. exports.

The rise of multinational corporations and banks, many of them U.S.-based, introduced an important factor in both international trade and development. The Ex-Im Bank aided development of these corporations by becoming primary lending source of low-interest loans to finance their overseas operations. Thus, U.S. taxpayers are subsidizing the export of American technology, production and jobs—all of which have a direct effect on the economic downturn in the U.S.

In the 93rd Congress, the AFL-CIO urged specific limitations on the bank's operations, including: Bringing bank financing back under control of the federal budget and subject to the congressional appropriations-budgetary process; prohibiting the bank from making any further loans to the USSR for energy projects; and requiring that the bank receive congressional approval of transactions involving the extension of credit, including details on the project's impact on U.S. employment.

In August 1974, the House Banking Committee reported legislation which did little more than extend existing law for another four years and increasing the bank's overall loan guarantee and insurance authority. While bringing the bank's finances back under the federal budget, only minimal provisions for congressional oversight were included. Congressional pre-notification for only loans of $50 million or more to a Communist nation was required.

The AFL-CIO strongly criticized the measure.

In mid-August, the House weakened even the minimal safeguards in the committee bill. It rejected, 191-202, the committee federal budget provision. A labor-supported amendment, sponsored by Rep. John Dent (D-Pa.), prohibiting bank loans adversely affecting the competitiveness of U.S. industries, employment in the U.S. or the availability of scarce materials, was also rejected. The House then overwhelmingly passed the watered-down bill.

In the Senate, the controversy over bank loans to the Soviet Union led to adoption by the Banking Committee of tighter, labor-supported restrictions on bank lending policy. Specifically, the committee approved giving Congress veto power over any loan of $50 million or more. Tied to this provision was the re-

quirement that the President make a separate determination on any loan of $40 million or more to a Communist nation that such a transaction was in the U.S. national interest. The bill, however, failed to return bank funding to the federal budgetary process.

When the legislation reached the Senate floor in mid-September, Sen. Adlai Stevenson (D-Ill.) and Robert Packwood (R-Ore.) sponsored a compromise proposal, approved by voice vote, which substantially weakened the committee bill. Basically, the compromise limited to $300 million the bank's authority to make new commitments to the Soviet Union beyond existing agreements. Congressional loan veto authority was replaced with a requirement that the bank give Congress only advance notice on loans of $60 million or more, accompanied by a report on the impact of such exports on national security and the U.S. economy, including any possible effect on employment, industrial competitiveness, supply shortages and transfer of technology.

Although the Senate failed to restrict bank loans to finance energy development projects in the Soviet Union, the Senate approved an amendment by Sen. Frank Church (D-Idaho) requiring prior congressional approval of such loans. A labor-backed amendment by Sen. William Proxmire (D-Wis.) providing more effective congressional oversight by placing the bank under the federal budget was approved, 41-32. The Senate also approved by voice vote a proposal by Sen. Henry Jackson (D-Wash.) to enlarge the bank's board of directors to include an additional member representing organized labor. The Senate then passed the bill, 67-5, on Sept. 19.

In conference, the bill was stripped of its major safeguards and oversight guarantees strongly supported by the AFL-CIO. As a result, the federation urged the Senate to recommit the bill back to conference in order to restore these provisions.

During debate on the conference report, proponents of tougher restrictions on the bank, led by Sen. Proxmire, Robert Byrd (D-W.Va.) and Richard Schweiker (R-Pa.) began a filibuster against the conference report designed to insure its recommittal to conference. Two attempts to end the filibuster by invoking cloture failed. The Senate then overwhelmingly tabled the report, returning it to conference.

In the second conference session, conferees again failed to adequately strengthen the bill. Although an initial attempt to have it recommitted again was defeated 41-43, another filibuster forced recommittal of the report.

Faced with the Senate's position on its previously passed regulatory safeguards, conferees partially strengthened the original Senate restrictions which had been weakened in the two earlier conference reports. The final compromise conference report, approved three days later by the Senate and House and signed by President Ford as PL 93-646, included these labor-supported provisions:

• Returned the bank's financing to the federal budget as of October 1, 1976.

• Required bank pre-notification to Congress at least 25 days before approving any transactions totaling $60 million or more, or any transaction of $25 million or more for fossil fuel projects in the Soviet Union.

• Set a $300 million ceiling on total bank loans and guarantees to finance exports to the Soviet Union. The President could set a higher limit if he determined an increase was in the U.S. national interest, subject to approval by Congress.

• Prohibited use of more than $40 million of that ceiling to finance exports to the Soviet Union of energy research and exploration equipment and services, while prohibiting financing of exports intended to develop USSR fossil fuel resources.

Export Administration Act

Contributing to domestic inflation has been the unregulated export of domestic commodities, including grain, scrap iron, lumber and oil drilling equipment, which caused severe domestic shortages and higher prices.

In an effort to improve federal controls over unregulated exports, Congress passed legislation in 1974 amending the Export Administration Act ostensibly strengthening that statute. However, the Senate, in passing its version of the legislation in July, made only a minimal change in the export law—eliminating the requirement that export controls could only be implemented when serious inflation could be traced to "abnormal" foreign demand. The Senate bill left intact a requirement that controls could only be imposed to counter both the inflationary impact of foreign demand and the excessive drain of scarce materials from the domestic economy.

In the House, the Banking Committee reported a stronger bill allowing more flexible use of export controls to either curb an excessive drain of scarce supplies from the economy or reduce the inflationary effect of foreign demand on U.S. prices. In agreeing to eliminate the difficult-to-determine finding of "abnormal" foreign demand, the committee bill also recommended giving the Secretary of Commerce authority to impose a battery of export control mechanisms, including embargoes, quotas and licenses in order to counter the export drain of scarce commodities on a product-by-product basis.

However, when the House considered the labor-supported bill in mid-August, farm state representatives fearing an adverse impact on agricultural exports and House conservatives combined forces to reject the committee bill 258-131. An ineffectual substitute bill, sponsored by Rep. Richard Hanna (D-Calif.), providing for a simple two-year extension of the law was then approved. An effort by Rep. Thomas Rees (D-Calif.) to amend a substitute bill with language from the committee bill failed.

House defeat of the committee bill paved the way for eventual congressional approval of legislation which failed to provide for effective federal regulation of exported goods causing serious shortages of domestic commodities.

Overseas Private Investment Corporation

In the 93rd Congress the AFL-CIO vigorously opposed continuing the Overseas Private Investment Corporation. Created in 1969, this government-owned corporation encourages U.S. private investment in developing nations using tax revenues to insure American corporations against financial losses abroad from such political risks as currency inconvertability, expropriation and damages from war, revolution or insurrection. However, many of the corporate overseas investments financed by OPIC have resulted in the export of U.S. jobs and technology to over 90 low-wage nations. These exported jobs have been in such areas as the electronics, auto and auto parts, machinery, textile and leather industries.

Early in 1975, the Senate Foreign Relations Committee reported legislation phasing out the OPIC direct-insurance role, but allowing the agency to continue as a re-insurer of policies written by private insurance companies taking over the role of direct insurer of foreign investment ventures. The federation strongly opposed this legislation charging OPIC would "continue to give direct aid to the world's largest banks and corporations to expand their activities overseas for another five years (forcing) the U.S. taxpayer to continue his subsidy as an insurer of last resort for these corporate ventures overseas."

In February Senate debate, Sen. Jacob Javits (R-N.Y.), with Nixon Administration support, succeeded, 48-46, in further weakening the phase-out of OPIC's direct insurer role. After disposing of other amendments, the Senate passed the OPIC extension, 56-35.

The House Foreign Affairs Committee reported legislation in May extending OPIC's direct insurance role for three years. Then, certain insurance responsibilities would be phased out, with OPIC becoming a re-insurer by 1981. The bill included a provision directing the agency to deny insurance, re-insurance or other financial assistance for a proposed investment if it determined the investment was likely to cause a significant reduction in the number of the investor's domestic employees. The House approved the bill, 225-152, without significant modifications. An effort by Rep. Charles Vanik (D-Ohio) to bar OPIC programs for overseas investment in petroleum refineries or facilities for production of petrochemical products was rejected by voice vote.

In the conference report which followed—later approved by the Congress and by President Ford as PL 93-390—conferees agreed to phase out OPIC's role as an insurer of overseas private

investments. In extending the agency's authorities through December 1977, the legislation imposed numerous restrictions on OPIC activities including: specific deadlines for ending the writing of expropriation, inconvertibility and war-risk insurance; a time-table for OPIC to begin its co-insurance role with the private sector; prohibitions on assistance to investments abroad that would cause significant reductions in domestic employment; preferential treatment for small businesses and projects in less-developed countries; and limitations on the annual amount of re-insurance, while requiring re-insurance investors to bear some liability for loss.

Manpower Programs

Late in 1973 Congress passed labor-supported legislation combining and expanding the various federal manpower efforts into one comprehensive manpower program entitled the Comprehensive Employment and Training Act (CETA). This four-year law maintained existing public service employment and manpower training programs and created a separate emergency public service jobs program with funds specifically mandated to areas where unemployment exceeded 6.5 percent.

In 1974, congressional action on federal manpower programs centered principally on efforts to insure adequate funding for CETA. With inflation cutting heavily into available manpower funds and unemployment increasing monthly, the AFL-CIO urged increases in manpower funding over the Administration's budget request, particularly for public service employment.

During House debate in early April on a 1974 supplemental appropriations measure, the House approved, 236-168, a labor-backed amendment by Rep. David Obey (D-Wis.) increasing funding for the public service jobs by $150 million over the Appropriations Committee recommendation of $100 million.

The conference report, later approved by Congress, provided $2.26 billion for all CETA manpower programs for the remainder of 1974 and maintained the transitional funding level of $250 million for the existing public employment program as passed by the House. Also maintained was a $120 million funding increase for Title II emergency jobs section of CETA as approved by the Senate. The total of $620 million provided for public service employment was $470 million over the Administration request.

At about the same time, the House began consideration on the 1975 Labor-HEW appropriations bill which included manpower funding for CETA. As reported by the Appropriations Committee, $2.15 billion was provided for job training and public employment, including $1.8 billion for manpower programs and $350 million for the emergency public service jobs. However, during debate, Obey sponsored another manpower funding increase amendment adding $300 million to the program so that funding

levels might not decline as a result of inflation below 1973 levels. The House approved this amendment 231-171.

The Senate Appropriations Committee increased funding for emergency public service jobs by $50 million over the House-passed bill, but it disregarded the recommendation of its subcommittee on Labor-HEW Appropriations and cut $350 million from the manpower program funding. When the Senate took up the bill, the AFL-CIO urged approval of an amendment by Sens. Edward Kennedy (D-Mass.) and Jacob Javits (R-N.Y.) to restore the funds cut by the committee. By voice vote the Senate agreed to restore only $175 million. In the conference report approved by Congress in late November, conferees agreed to an additional $75 million for manpower, making a total of $200 million, and $400 million for public service jobs. On December 7 President Ford signed the bill into law as PL 93-517.

Late in the session, Congress passed and the President signed labor-endorsed legislation adding to CETA a one-year emergency public service jobs program. The bill authorized $2.5 billion to state and local government in 1975 to employ workers in such service areas as education, health, sanitation and day care, generating 300,000 jobs over the next year. The emergency jobs bill also provided for a one-year extension of 26 weeks of unemployment compensation benefits to workers not currently eligible for these benefits, marking the first time universal coverage has been available to the nation's jobless. (See also Labor Legislation —Extended Unemployment Compensation Benefits.)

In 1975 Congress, in passing an emergency jobs bill, included $1.6 billion in public service jobs monies to complete the funding of the 1974 Emergency Public Service Jobs program. President Ford vetoed the legislation and the House was unable to override that veto. The House resurrected this section of the vetoed bill and passed it as part of a suppelemental appropriations bill which President Ford signed.

The AFL-CIO during House and Senate Labor Committee hearings on legislation to extend the emergency jobs program expiring at the end of 1975, urged an additional year's extension with an authorization level of $10 billion in order to create one million public service jobs which the federation viewed as vital in the war against unemployment.

In late June the House, in approving a $35.9 billion Labor-HEW appropriations bill, allocated $2.3 billion for CETA manpower programs in 1976 including $400 million for public service jobs under Title II. Combined with other appropriations a total of $2.6 billion was allocated for public service jobs in fiscal 1976.

Public Works–Economic Development Act Extension

Since its enactment in 1965, this legislation has provided millions in federal funds to economically-depressed areas for construction of basic public facilities in order to stimulate private

investment, foster economic growth and provide jobs in areas of persistently high unemployment. The Public Works Impact Program (PWIP), added in 1971, directs that a certain percentage of funds be spent in specific areas of severe unemployment. Taken together these two programs are one of the most successful federal manpower and economic aid efforts.

Despite this, the Nixon Administration repeatedly sought to eliminate the program. In the 92nd Congress legislation extending and expanding the program was twice vetoed. In 1973, however, Congress rejected Administration efforts to end the program by requesting no new funding and instead extended the statute for one year.

Similarly, in 1974, Congress disregarded Administration efforts to turn it into a much weaker, labor-opposed block grant, revenue-sharing program. With bipartisan support, a two-year, $1.47 billion extension of the legislation was approved in late August.

In early June the House Public Works Committee reported a two-year, $1 billion extension bill maintaining the minimum percentage spending for PWIP. It also included a labor-backed jobless benefits provisions.

On the floor two amendments opposed by the AFL-CIO were agreed to by voice vote. An amendment by Rep. William Harsha (R-Ohio) weakened the jobless benefits section and a second amendment lowered the mandatory minimum percentage of funds required to be spent on PWIP. Before overwhelmingly approving the bill, the House adopted an amendment offered by Rep. Bella Abzug (D-N.Y.) clarifying eligibility for economic development planning grants.

The Senate Public Works Committee, meanwhile, reported a three-year extension which continued the minimum PWIP spending requirements and contained jobless benefits similar to the House committee bill. However, in early August the Senate substantially cut back the committee bill, agreeing by voice vote to an amendment by Sen. James McClure (R-Idaho) limiting the extension to two years, reducing minimum PWIP percentage amounts and weakening unemployment compensation. The Senate then approved the $1.7 billion bill.

In late September conferees agreed on a compromise two-year, $1.47 billion extension which maintained the McClure-Harsha restrictions. On September 3 President Ford signed it into law as PL 93-479).

Federal Reserve Board

The Federal Reserve Board, under the chairmanship of Dr. Arthur Burns, has come under heavy criticism by organized labor, economists and members of Congress for its tight money policies, which have resulted in widespread unemployment and increased inflation.

In the 93rd Congress the House passed labor-backed legisla-

tion, introduced by Rep. Wright Patman (D-Tex.), subjecting FRB operations to congressional review through audits by the Government Accounting Office. A weakening amendment, offered by Rep. Thomas Ashley (D-Ohio), was added, disallowing GAO auditors from making judgments on board policy and sensitive monetary policies. The legislation died in the Senate Banking Committee despite efforts by Sens. William Proxmire (D-Wis.) and Harrison Williams (D-N.J.) to include the GAO audit provision in legislation revising federal regulations for banks and thrift institutions.

In 1975 the AFL-CIO urged Congress to overhaul the board's structure and policies to make them responsive to the American people. Specifically, the AFL-CIO urged Congress to:

- Order FRB to reduce short- and long-term interest rates and allocate available credit for high priority economic activities.
- Provide for comprehensive oversight review of the entire Federal Reserve system with yearly GAO audits.
- Establish four-year terms for the chairman, while reducing terms of the boards of governors from 14 to 7 years.
- Require all commercial banks to be participants in the federal reserve system.

House hearings have been concluded on legislation providing for GAO audits of the Federal Reserve system.

In a related development Rep. Henry Reuss (D-Wis.) introduced labor-supported legislation directing the Federal Reserve Board to lower interest rates by increasing the growth rate of the nation's money supply and to assure credit for high priority needs. However, in late February, despite the efforts of Chairman Reuss, the House Banking Committee reported a "sense of the Congress" resolution having no force of law, which urged the FRB to pursue monetary policies to encourage lower long-term interest rates. The bill, which was later approved by the Senate, directed the FRB to consult with both congressional banking committees on a semi-annual basis.

Farm Legislation

Despite declining farm income and skyrocketing production costs which placed small farmers in a financial squeeze, President Ford vetoed a labor-supported one-year emergency farm legislation in 1975 designed to guarantee increased federal differential payments to farmers when market prices fell below target price levels set by the government.

In early March the House passed a compromise version of the emergency farm bill supported by the AFL-CIO, consumer and liberal farm groups. Two labor-backed, consumer protection amendments passed. One, authored by Rep. John Krebs (D-Calif.), dropped the target price for cotton in order to encourage cotton growers to switch to other essential agricultural commodities since cotton was in over supply and demand dwindling. After rejecting 159-260 an amendment by Rep. Margaret Hechler (R-

Mass.) to maintain cotton support prices at existing levels, the House overwhelmingly approved the Krebs proposal. Rep. Frederick Richmond (D-N.Y.) then introduced an amendment to retain the dairy product support price at 80 percent of parity with quarterly adjustments rather than increase it to 85 percent as recommended by the Agriculture Committee. It was approved, 211-202, and then the House voted 259-162 to accept the emergency farm bill.

One week later the Senate approved the emergency bill 57-25. However, the Senate increased the dairy price support to 85 percent of parity with cost of production adjustments and boosted the target price level for cotton.

About one month later Congress completed action on a compromise conference version of the bill which agreed to the lower-level target prices, price support loans and dairy support prices in the House-passed bill. However, on May 1 President Ford vetoed it. Twelve days later, the House sustained the veto, 245-182, falling 40 votes short of the two-thirds necessary.

Northeastern Railroad Reorganization

Faced with an imminent shutdown of seven bankrupt Northeastern railroads including the Penn Central, Congress approved legislation in late 1973 consolidating and reorganizing these railroads into a government corporation. An initial authorization of $400 million was included for redesigning of routes, purchase of new equipment and administrative expenses of the new corporation. Up to $1.5 billion in federally-guaranteed bonds can be issued by the corporation to raise additional funds.

The bill also included provisions for the negotiation of new collective bargaining contracts and labor protections. Compensation was guaranteed to workers with over five years of service who either lost their jobs or had pay reduced because of reorganization. The monthly compensation is limited to the number of years the worker served prior to reorganization, up until the age of 65, retirement or dismissal for cause. Although the labor provisions were supported both by rail labor and management, they proved to be the most controversial sections of the bill during debate.

In the House, Rep. Dan Kuykendall (R-Tenn.) attempted to limit compensation to a maximum of six years. If Kuykendall's amendment had been successful, rail workers employed for 10 years prior to reorganization who either lost their jobs or had salaries reduced could receive only six years of differential pay compensation. The amendment was strongly opposed by AFL-CIO railway union affiliates. Although it was initially adopted by voice vote, the amendment was finally defeated by a narrow 187-198 margin. A similar anti-labor amendment offered by Rep. Joe Skubitz (R-Kan.) was rejected 148-245.

Sen. J. Glenn Beall (R-Md.) led the opposition to the labor

protection provisions in the Senate. His amendment would have eliminated provisions protecting the income of workers affected by the rail consolidation, leaving the details to future "negotiations" with the new corporation. It was defeated 37-59. A motion to reconsider the Beall amendment offered by Sen. Lawton Chiles (D-Fla.), was also rejected 41-53. The Senate also rejected, 40-56, a similar crippling amendment offered by Sen. Norris Cotton (R-N.H.).

On Jan. 2, 1974 President Nixon signed it into law as PL 93-236.

Alaskan Pipeline

In February 1973 a U.S. Court of Appeals blocked construction of the Alaskan oil pipeline needed for development of vast oil reserves on the Alaskan North Slope. The discovery is estimated at 10 to 12 percent of the annual U.S. oil consumption or one-third of the current oil imports. Construction of the pipeline by a consortium of oil companies had already been delayed for two years pending completion of a Department of Interior environmental impact study. But the court ruling, later upheld by the Supreme Court, disallowed Secretary of Interior's approval of construction of the pipeline because it violated long-standing technical right-of-way restrictions on federal lands contained in the 1920 Mineral Leasing Act.

As a result, Congress completed action in late 1973 on legislation to permit construction of the pipeline by authorizing the Secretary of Interior to issue or renew rights-of-way across federal property when it was found to be in the public interest and when the applicant demonstrated the land would be protected against adverse environmental effects. Sponsored by Sen. Henry Jackson (D-Wash.) and Rep. John Melcher (D-Mont.), the labor-backed bill also included stringent liability requirements for any environmental damage caused by the pipeline; guaranteed that the Alaskan oil reserves would be used first to meet domestic market needs; barred specious court suits under the Environmental Protection Act designed to delay construction of the pipeline; and authorized the President to initiate discussions with Canada on a Canadian pipeline.

The bill also included a controversial Jackson amendment permitting the Federal Trade Commission to go into court to stop unfair or deceptive practices and removing the power of the Office of Management and Budget to screen and approve requests from independent and regulatory agencies for data from big business. An effort by House Republicans, led by Rep. Sam Steiger (R-Ariz.), to refer the pipeline conference report back to conference with instructions to delete the FTC-OMB provision was rejected 162-213. Congress later approved the legislation, which President Nixon signed into law as PL 93-153.

Maritime Employment

With the U.S. currently importing more than 30 percent of the oil it needs and almost totally dependent on foreign tankers for delivery, the Arab oil embargo made quite clear U.S. vulnerability to political and economic blackmail by foreign sources that control vital U.S. energy supplies.

Congress approved legislation in late 1974 designed to end the foreign-flag monopoly over shipment of U.S. oil imports by requiring a minimal percentage of all imported oil and oil products be carried in U.S.-flag tankers. The bill also mandated certain environmental safeguards on U.S.-flag ships, and provided for a cost reduction to consumers, by reducing over the next five years the license fees on imported oil except residual oil.

The AFL-CIO and its maritime affiliates strongly supported this legislation as vital to the depressed U.S. maritime industry, hard hit by unemployment over the last 10 years due to heavily subsidized, low-wage foreign competition. Besides creating an estimated 10,000 jobs in U.S. shipyards and at sea, this maritime bill would have improved the U.S. balance of payments, generated tax revenues for the U.S. Treasury now lost to foreign-flag operations and assured shipment of this oil in environmentally safe U.S.-flag ships.

In early May, the House approved the legislation 266-136. Four months later, the Senate approved a similar bill 42-28. During Senate consideration of the conference report in December, a controversy developed concerning the so-called "inflationary impact" of the measure, raised by the oil industry, of all people. The Senate disregarded the so-called "consumer" arguments of the oil industry, who control a number of foreign-flag tanker operations, and approved the conference report, 44-40. Although the House similarly approved the report, President Ford pocket-vetoed the bill.

Similar labor-backed maritime shipping legislation has been introduced in the 94th Congress by Rep. Leonor Sullivan (D-Mo.) and Sen. Ernest Hollings (D-S.C.). As of this writing, no action has been taken on this legislation.

Airline Jobs

Soaring fuel costs, a decline in passenger volume and unfair competition from foreign air carriers all combined in 1974 to seriously threaten the financial stability of U.S. international airlines and thousands of American jobs. Most immediately endangered was Pan American World Airways and its 33,000 employees.

In order to partially remedy the situation, Congress late in the year completed action on legislation designed to eliminate a number of unfair aspects of foreign competition and thereby reestablish competitive equality between U.S. and foreign air

carriers. The legislation, strongly supported by the AFL-CIO, the Transport Workers Union of America and other federation affiliates representing airline employees, authorizes retaliatory action against foreign governments charging U.S. airlines excessive landing fees when diplomatic efforts fail. In directing the Department of Commerce to undertake a "fly U.S." campaign, the bill also requires that all governmental overseas travel and cargo be on U.S. airlines where available.

A labor-supported provision mandating comparable mail rates for transporting U.S. overseas mail be paid to U.S. carriers as foreign air carriers was added by Rep. John Murphy (D-N.Y.) to the House-passed version. However, it was dropped in the conference report. The final legislation does direct the Civil Aeronautics Board to review its mail rate-making schedules in order to eliminate this competitive imbalance, while directing other government agencies to review their policies towards U.S. air carriers in order to end any other existing discriminatory practices.

Copyright Protection

During Senate consideration of legislation reforming existing copyright law, the AFL-CIO and the American Federation of Musicians supported a performance royalty provision included in the bill as reported by the Senate Judiciary Committee. It provided for payment of minimal royalties by broadcasters and jukebox operators to the performing artists and record manufacturers.

Pointing out that composers of music are protected under copyrights, the AFL-CIO urged that the law also provide copyright protection to the musicians and artists who perform these musical arrangements. Despite this, the Senate later voted to delete the performance royalty section. However, the House failed to act on the bill before adjourning.

Hearings on similar copyright reform legislation are continuing before the House Judiciary Committee.

Dickey-Lincoln Power Project

As part of the $4.5 billion atomic energy-public works appropriations bill for 1975, Congress provided $800,000 in preconstruction planning funds for the Dickey-Lincoln hydroelectric power project to be located on the St. John River in Maine. The AFL-CIO has long supported construction of this hydroelectric plant designed to provide TVA-type, low-cost public power to New England. Strongly opposed by private utilities, when Dickey-Lincoln is completed it will provide an estimated 1.2 billion kilowatts of electricity annually.

Approval of these funds marked the first time in 10 years Congress authorized appropriations for this project. Funds were

included in the appropriation measure reported by the House Appropriation Committee, but during floor debate Rep. Silvio Conte (R-Mass.) attempted to delete them from the bill. The House, by 186-201, rejected the Conte amendment.

New River Power Project

Although passed by the Senate, the House late in 1974 blocked legislation opposed by the AFL-CIO and its building trades affiliates which would have cancelled the licensing by the Federal Power Commission of a hydroelectric power plant on the New River, located in Virginia and North Carolina.

The power project, providing the area with an estimated 385 million kilowatt hours of electricity annually, would provide flood control and recreational facilities as well as jobs and potential for industrial development in an area of growing unemployment. Construction of the plant was strongly opposed by environmental groups.

In late May the Senate blocked construction of the power plant by directing the Interior Department to conduct a two-year feasibility study on including the New River in the National Wild and Scenic River System. Any dam construction along the 70-mile stretch of river, including two of its branches, would be prohibited during the study.

But the House Rules Committee refused to grant a rule for floor consideration of the bill late in the session. The committee took note of the fact that FPC, after nine years of exhaustive study, had unanimously approved the license to build the two dams needed for the power plant. An effort to circumvent the Rules Committee by taking the bill directly to the floor under "suspension of the rules" failed to secure the two-thirds vote needed.

Housing and the Environment

Housing

In response to the growing national housing crisis, Congress in 1974 passed the first major housing bill since 1969. The labor-backed, three-year $11.9 billion omnibus housing bill contained these provisions:

- Additional funding for construction, modernization and operating subsidies for public housing programs.
- Reactivated a mortgage assistance, direct loan program for the elderly, which had been unused under the Nixon Administration.
- Created a new program, with Davis-Bacon prevailing wage requirements, provided direct rental assistance to private and public landlords on behalf of tenants.
- Additional funding for the rental assistance-interest sub-

sidy program (section 236). It extended the home ownership-interest subsidy program (section 235) but with no new funds since the $264 million impounded by the Nixon Administration was still available.

- Authorized $8.6 billion for three years for the Community Development program which consolidated such programs as urban renewal, neighborhood facilities, water and sewer facilities, model cities and the open space program into a consolidated block grant program.

In late August, President Ford signed the Omnibus Housing Bill into law as PL 93-383.

Additionally, Congress in early October passed a one-year Emergency Home Purchase Assistance Act authorizing the Government National Mortgage Association (GNMA) to purchase up to $7.75 billion in conventional single-family home mortgages up to $42,000 and FHA-insured multifamily projects. The Ford Administration made $3 billion of this money available, enough to provide mortgage funds for approximately 100,000 units. The law is designed to provide federal funds to assume federally-guaranteed mortgages as well as conventional mortages at rates of about 8-8½ percent.

During earlier hearings, the AFL-CIO supported a different measure introduced by Sen. Alan Cranston (D-Calif.) establishing a Middle-Income Housing Fund within the GNMA, which would be authorized to buy up to $6 billion in federally guaranteed mortgages at a lower 7 percent interest rate. The measure was not adopted.

Variable Interest Rates

In early 1975 the Federal Home Loan Bank Board proposed an anti-consumer regulation allowing federally-chartered savings and loan associations to offer mortgages at variable interest rates which would float up and down depending upon interest rates fluctuations.

The AFL-CIO strongly opposed this effort as causing an increase in mortgage payment of homeowners during periods of inflation when price increases were already eroding purchasing power. For example, if mortgage rates were to increase from 6 to 8 percent in the third year of a 25-year, $30,000 mortgage the additional cost to the borrower would be $9,000.

In late April, the House Banking and Currency Committee reported legislation sponsored by Rep. Fernand St. Germain (D-R.I.) disallowing the implementation of this proposed regulation. In early May, after rejecting 167-232 an attempt by Rep. Thomas Rees (D-Calif) to weaken the labor-backed committee bill, the House passed the measure 291-104.

Later in the same month the Senate Banking Committee, upon receiving assurances from the Federal Home Loan Board of further discussions with Congress before implementation of

its controversial regulation, reported a "sense of the Congress" resolution having no force of law which opposed the use of variable interest rates without specific Congressional approval. No further action has been taken on this proposal by the Senate.

Mass Transit Funding

The six-year $11.9 billion authorization for development of urban mass transit systems passed in late 1974 marks the first time Congress approved operating subsidies for public transit systems—long a labor goal.

The key vote was House rejection 197-202 of an effort by Rep. Dale Milford (D-Tex.), backed by rural conservatives, to eliminate operating subsidies for city transit systems.

Signed by President Ford as PL 93-503, this landmark legislation authorizes $7.8 billion for capital grants, with the Secretary of Transportation authorized to finance up to two-thirds of the cost of construction for improvements of transit systems; $500 million is reserved for areas with populations under 50,000. Larger cities can utilize up to one-half of their funds to subsidize operating costs if they agree to replace them with local revenues by the end of the next fiscal year. The bill also establishes a graduated, $4 billion optional fund whereby cities over 50,000 are eligible for up to 50 percent funding of transit operating expenses or up to 80 percent of capital construction costs.

Existing anti-discrimination and labor standards protection provisions of the Urban Mass Transportation Act of 1964 are maintained in this legislation.

Public Land Management

Senate-passed land-use legislation, providing federal coordination, minimum standards, grants and technical assistance to the states in the formulation of land use policies, was shelved in the House in 1974 as the result of Republican and conservative Democratic opposition.

In late January 1974, the House Interior Committee overwhelmingly reported out a bill introduced by Rep. Morris Udall (D-Ariz.). It was referred to the Rules Committee for determination of the debate rule under which the bill would be considered by the full House. There, opponents of the measure, led by Rep. Sam Steiger (R-Ariz.) and backstopped by the White House and the real estate and construction industries, succeeded in delaying the bill for over three and a half months. When proponents of the bill succeeded in breaking this logjam, the full House voted 204-211 on June 11 to reject the rule under which the bill was to be debated, thus ending further consideration of the issue.

Land-use legislation has been introduced in the 94th Congress. Senate and House hearings are underway.

Strip Mining Controls

In a major environmental battle, President Ford again vetoed labor-supported legislation providing minimum federal standards for state development of mandatory strip mining control programs. He had vetoed similar legislation in 1974.

In early May, House-Senate conferees reached agreement on a compromise strip mining bill. It prohibited strip mining of land which could not be reclaimed and required mining companies to reclaim stripped land and return it to its original contours unless other uses could be established. The bill also established a new Office of Surface Mining in the Interior Department and provided for public participation in the development of state plans and enforcement. If states failed to adopt minimum federal standards, a federally-imposed program would be implemented.

Efforts by Republican conservatives, led by Rep. Sam Steiger (R-Ariz.), to cripple the legislation were defeated as the House passed the bill, 333-86. One week earlier the Senate had approved a similar measure, 84-13. Later, the conference report, strongly backed by organized labor, was approved in the Senate by voice vote and in the House by a 293-115 margin.

President Ford, using exaggerated claims of massive job losses and huge increases in electric utility rates, vetoed the legislation on May 20. Under strong Administration pressure, previous House Republican support for the bill dwindled as the House on June 10 failed by a 278-143 vote to obtain the two-thirds vote necessary to override the veto.

Real Estate Settlement Costs

Excessive fees for real estate settlements have contributed to the high cost of home buying and led Congress in late 1974 into passing legislation prohibiting certain abusive settlement practices and providing full disclosure of settlement costs prior to the purchase of a home by a prospective buyer.

The House Banking Committee reported a settlement cost control bill with a provision opposed by the AFL-CIO and consumer groups. The provision repealed 1970 statutory authority for the Department of Housing and Urban Development to set maximum closing costs for the purchase of homes financed with a federally guaranteed mortgage. Although HUD never used its power, proponents of the legislation felt repeal of this authority would effectively negate the purpose of the settlement bill. Rep. Pete Stark (D-Calif.) offered an amendment to delete this repealer, which lost 199-202 because of opposition of title insurance companies, state bar associations and real estate and banking interests. Further attempts to reverse this action failed, and the House easily approved the real estate settlement bill.

The Senate Banking Committee also included the repeal provision in its bill; however, when the bill reached the Senate floor in late July, Sen. William Proxmire (D-Wis.) offered an amend-

ment to delete this section. It was approved 55-37. The Senate then passed the bill by voice vote.

The conference report, approved in early December and signed by President Ford as PL 93-533, eliminated the House-passed repeal of the HUD settlement costs control authority. Among other provisions, the legislation also:

- Requires mortgage lenders to provide both buyer and seller with an itemized disclosure of proposed settlement charges at the time of the mortgage loan commitment—at least 12 days prior to settlement—with penalties for non-compliance.
- Prohibits kickbacks between those in the settlement industry for services not performed.
- Bars lenders from making a loan commitment if the seller does not inform the buyer of the previous purchase price of a house bought within the last two years and not used as a place of residence by the seller; prohibits collecting and holding in escrow more than one month's worth of advance property taxes and insurance premiums after settlement; outlaws charging homebuyers for preparation of statements required by the Truth-in-Lending Act.
- Prohibits sellers from requiring buyers to obtain title insurance from any particular company.
- Requires the Secretary of HUD to prepare a standard form for banks to disclose settlement charges and to undertake a three-year study of settlement costs.

Condominium Housing—Consumer Protection

The Senate Banking Subcommittee on Housing held brief hearings in 1974 on proposals introduced by Sens. Joseph Biden (D-Del.), William Proxmire (D-Wis.) and Edward Brooke (R-Mass.) designed to protect consumers from abuses by providing federal regulation of condominium sales and conversions. During these hearings, the AFL-CIO urged that at a minimum such protection legislation should:

- Require condominium developments be registered with an adequately-staffed federal agency with effective investigative and enforcement. The agency would be empowered to defer conversions where extreme hardship would result.
- Federally-related financing or other assistance to condominiums be conditioned on fulfillment of regulation and disclosure requirements.
- Obligate all builder-developers to fully and accurately disclose information to both the administering federal agency and prospective condominium buyers, including: completion dates; condition and life span of the structure; existing and planned facilities and services; and operating costs to be paid by the owner-occupant, as well as information concerning anticipated taxes, assessments or other future costs which could affect the monthly housing payment. Additionally, warranties should be

required on all electrical, heating, air conditioning and ventilation equipment, plumbing, roofing and elevators.

- Require written notice to tenants of rental units to be converted to condominium housing, with tenants given priority to purchase and at least six months to decide whether to purchase the unit or find replacement housing.

No further action was taken in the 93rd Congress. Similar legislation has been introduced in the 94th Congress.

Federal Disaster Relief Assistance

The 1970 Disaster Relief Act consolidated three existing major federal disaster programs and established several new programs of disaster aid to local communities. However bureaucratic snarls, the lack of a program to aid economic recovery in disaster areas and devastating tornadoes in the South and Midwest during 1974, led Congress to pass labor-supported legislation providing additional benefits to victims of natural disasters.

Signed by President Nixon on May 22, 1974, as PL 93-288, the legislation:

- Authorizes grants to states developing comprehensive disaster relief programs and loans to local governments suffering substantial revenue losses;
- Allows direct financial aid (up to $5,000) to help individuals meet uncovered disaster damage;
- Authorizes state recovery planning councils to draft five-year recovery investment plans with supplementary federal funds;
- Provides up to one year's unemployment assistance to persons losing their jobs because of disasters.

Resource Recovery

The Resource Recovery Act of 1970 expanded federal efforts to spur the recycling and recovery of materials and energy from solid waste. During 1974 Senate hearings on an extension of this important environmental program, the AFL-CIO opposed federal funding under this program to any state or locality which approved any restriction on non-returnable containers in the form of taxes, fees, deposits or other similar controls. The proposed legislation, if approved, threatens to eliminate over 95,000 jobs in the metal, can manufacturing, glass and allied industries. No further action was taken on this legislation in the 93rd Congress.

AFL-CIO affiliates representing workers in the glass and can industries reiterated this position during 1975 House Commerce Committee hearings on legislation to extend the Resource Recovery Act. Strong opposition was also registered against "ban-the-can" legislation introduced by Rep. Hamilton Fish (R-N.Y.). Hearings have been concluded on these bills.

Health, Education and Welfare

National Health Security

Organized labor's 30-year legislative effort to win approval of a national health insurance system providing quality health care to all through social insurance continued in the 93rd Congress, but without any final action.

Sen. Edward Kennedy (D-Mass.) and Reps. Martha Griffiths (D-Mich.) and James Corman (D-Calif.) again introduced the labor-backed National Health Security bill in the 93rd Congress. Key provisions include: full payment of physician and surgical services, including preventive care; all hospital services, including all hospital-affiliated nursing home care, outpatient services and home health care; coverage of other services including optometrists, podiatrists, pathology, radiology and ambulance, as well as medicines provided by a hospital or prepaid group practice, and dental care for those under 15.

Later in the year, Sens. Abraham Ribicoff (D-Conn.) and Russell Long (D-La.) introduced a so-called "catastrophic" health insurance plan, designed principally to federalize the state-run Medicaid system and provide limited medical insurance for high expenses due to serious illness. Estimated to cost about $9 billion annually and financed through increases in Social Security taxes, the catastrophic plan would cover less than one million persons per year. The 1973 AFL-CIO convention soundly rejected the Long-Ribicoff proposal as "the antithesis of what a good health program should be . . . failing to improve the chaotic health care delivery system, or alleviate health manpower shortages or better distribute medical resources."

Early in 1974 the Nixon Administration finally put forth its health insurance proposal, which was immediately labelled by labor as "doing little to solve the nation's health care crisis." The AFL-CIO listed many glaring deficiencies of the Nixon plan, including: lack of strong quality and cost controls; financing through the discredited private insurance system; inclusion of high deductibles and co-insurance paid for by consumers.

A so-called "compromise" health insurance bill introduced by Sen. Kennedy and Rep. Wilbur Mills (D-Ark.) in mid-summer was criticized by the AFL-CIO as abandoning most of the basic principles of the National Health Security program." In the House Ways and Means Committee, somewhat sporadic hearings on national health insurance came to life as a pre-election attempt by conservatives to blitz the committee into approving a bad bill was stopped on a tie vote.

In 1975 an updated version of the labor-supported National Health Security legislation has again been introduced by Sen. Kennedy and Rep. Corman. (Kennedy-Mills was not reintroduced.) President Ford, although indicating his support for the

inadequate Nixon bill, stated he would veto any national health legislation during 1975. Meanwhile, the American Medical Association, long-time opponents of national health insurance, is now supporting a mandatory employer-employee, private health insurance proposal similar to the Administration bill.

Health Maintenance Organizations

The 93rd Congress approved AFL-CIO-supported legislation providing federal funds to spur development of Health Maintenance Organizations. HMOs are designed to provide comprehensive health services in an organized medical setting, financed on a prepaid basis.

In mid-May of 1973, the Senate passed, 69-25, HMO legislation sponsored by Sen. Edward M. Kennedy (D-Mass.) providing a three-year, $805 million authorization for group health planning. The bill included funds for initial development expenses, construction costs, grants and loans to meet operating deficits, and payments to enable HMOs to enroll indigent persons. During debate, the Senate rejected three Administration-supported amendments offered by Sen. Peter Dominick (R-Colo.) designed to substantially weaken the bill.

The House Commerce Committee reported a five-year, $240 million HMO bill in late July which the House overwhelmingly passed without amendment two months later.

The AFL-CIO unsuccessfully urged conferees to make mental health care and child dental care optional rather than mandated services. Mandating such services would make HMOs less competitive than private insurers who are not required to provide specific services.

Conferees later completed action on a four-year, $375 million HMO bill which Congress approved and President Nixon signed into law as PL 93-222.

Federal Health Programs

Late in 1974 Congress completed action on a labor-supported three-year, $1 billion measure revising and extending federal health planning programs. Basically, the program consolidated the regional medical program planning, comprehensive health planning and Hill-Burton hospital construction planning into a new national system of local health planning agencies responsible for determining the need for local health facilities and services while monitoring the uses of available federal health funds in these areas.

As cleared by Congress on December 20 and signed by President Ford into law as PL 93-641, this legislation included a labor-backed section establishing a National Council on Health Planning and Development to develop national guidelines for health planning.

On the Hill-Burton hospital construction program, Congress

rebuffed long-standing Administration plans to eliminate this program but shifted its emphasis to the modernization of hospitals rather than the construction of new facilities. The bill provides that new hospital facilities construction and modernization funds are to be allocated to each state on the basis of population, financial need and the need for medical facilities. In 1975 Congress rejected an Administration request to rescind $285 million in Hill-Burton funding for 1976.

Health Services

After the 93rd Congress adjourned, President Ford pocket-vetoed labor-supported legislation authorizing $1.9 billion for the continuation of five federal health services programs primarily benefitting low-income families through family planning, migrant health centers, community health centers for the medically underserved in rural and inner-city areas, and general health service grants for the states.

In 1973 Congress had extended these five programs in the face of Administration opposition to both the continuation of the mental health centers program as well as the extension of the other programs on a categorical basis. The Administration sought to have these programs transformed into a "no-strings" revenue-sharing program with little or no federal control over health spending priorities.

However, the 94th Congress revived the vetoed bill, and on April 10 the Senate passed an almost identical $1.9 billion, 2-year extension bill. Two months later, the House passed a similar bill with $1.4 billion in funds. Conferees are now considering a compromise version of this legislation.

In a related development, the Senate disapproved two health services funding recessions requested by President Ford and which had been approved by the House. The Senate rejected a request to withhold $14.2 million for construction and modernization of community mental health facilities and $2 million for health facilities planning funds in the District of Columbia.

Health Manpower

Although the House and Senate passed legislation to train more health personnel by extending and revising federal health manpower programs and providing new inducements for physicians to practice in medically-deprived areas, conferees failed to reach agreement on a compromise bill before the end of the 93rd Congress. Similar legislation has been reported by the House Commerce Committee and is pending in the Senate.

Legislative authority for most of the programs covered by this legislation expired June 30, but Congress earlier passed legislation providing a one-year extension of funding authority for federal assistance programs to nursing and other professional health students. Prior to adjournment, the Congress also passed a continuing appropriations resolution to insure continued fund-

ing for existing health manpower programs as well as a three-year, $654 million measure extending programs of federal assistance for nursing schools and nursing students. On Jan. 3, President Ford pocket-vetoed the nurse training bill.

Legislation extending the Nurse Training program has passed both the House and Senate in separate bills in the 94th Congress. The Senate extension, included as part of legislation extending various health service programs, provides $654 million through fiscal 1977. The House legislation provides $558 million through 1978. Reconciliation of these differences is pending in conference.

Public Health Service Hospitals

The AFL-CIO and its affiliated maritime unions have long opposed Administration efforts to close U.S. Public Health Service hospitals. These hospitals serve seamen, U.S. Coast Guardsmen and certain government employees, and their dependents. The hospitals also serve surrounding communities as medical training centers and treatment facilities.

Efforts to close these hospitals have been led by the Office of Management and Budget (formerly the Bureau of Budget) and the Department of Health, Education and Welfare. As a result, the number of hospitals has been reduced from 26 in 1946 to 8 at the present time.

During the 93rd Congress the Nixon Administration continued efforts to close PHS hospitals. However, Congress in both 1973 and 1974 provided for continued appropriations to keep the hospitals open. HEW attempted to circumvent the Congress through an administrative phaseout of a number of services at the existing hospitals. Congress tried to prohibit this action in emergency medical services legislation, but President Nixon vetoed the bill. The House failed to override that veto.

Late in the session, Sen. Warren Magnuson (D-Wash.) offered an amendment to keep the hospitals open during debate on a military authorization bill, and the Senate approved it. The conference report on the military bill retained the hospital amendment. But when the House took up the report, opponents of the amendment, led by Rep. William Steiger (R-Wis.), invoked a procedure whereby non-germaine amendments, such as the Magnuson provision, are subject to a separate vote. However, the House voted 103-290 to reject a motion to debate this section and then approved the bill. Following Senate approval, President Nixon signed the bill on Nov. 12 as PL 93-155. (See Foreign Affairs—Defense Spending).

Medical Malpractice Insurance

A significant factor in the skyrocketing costs of medical care has been the rapidly increasing cost of medical malpractice insurance.

Some insurance companies have ceased to underwrite malpractice insurance policies in several states leaving doctors and patients without this essential protection.

To remedy this, the AFL-CIO in 1975 urged federal legislation to provide for arbitration of medical malpractice claims, with possible appeal to the courts. Malpractice awards would be made on a no-fault basis.

The federation also urged that physicians be required to comply with state license requirements that meet minimum standards to be established by the Secretary of Health Education and Welfare. Additionally, states should require doctors to take periodic re-examinations in order to be relicensed.

Various provisions of the AFL-CIO-supported legislation are contained in two bills pending before the Senate, introduced by Sens. Edward Kennedy (D-Mass.) and Daniel Inouye (D-Hawaii). The Senate Labor and Public Welfare Committee is holding hearings on this legislation.

Nursing Homes

Recent state and federal investigations into nursing home practices have revealed major abuses in the treatment of the more than one million elderly persons living in these institutions, including unsanitary and unsafe conditions, improper use of drugs and profiteering and cheating by nursing home operators.

The AFL-CIO advocated enactment of legislation in 1975 establishing a bill of rights for nursing home patients in order to effectively monitor and raise the standards of care. The federation urged that regular audits be performed by the federal government with the results made public. Legislation establishing a bill of rights for nursing home patients has been introduced by Rep. Edward Beard (D-R.I.).

Elementary and Secondary Education

One of the milestones of the late President Johnson's Administration was the 1965 Elementary Secondary Education Act (ESEA). However Congress has failed to provide full funding for this labor-supported programs, falling as much as 60 percent behind the annual funding goals. Compounding this were three Nixon vetoes of Labor-HEW Appropriations bills containing funds for the ESEA program. As a result fiscal 1973 funding was more than $50 million dollars below 1972 levels, which were already underfunded by some $3 billion.

In 1973 a controversy developed over a new formula for distribution of federal funds available under Title I aid to disadvantaged children. The development of a new formula was complicated by the repeated underfunding. Concurrently the Nixon Administration was trying to replace ESEA with a bloc grant program. During House hearings on a five-year ESEA extension, the AFL-CIO urged full funding and criticized the Administration's educational special revenue-sharing proposal.

After almost a year of deliberations, the House Education and Labor Committee reported a three-year, $21 billion ESEA extension bill. Although rejecting bloc grants, the bill pegged Title I funding to a new spending formula which would effectively deny federal aid to many disadvantaged children in large cities now being served by this program.

During debate a number of unsuccessful efforts were made to modify the harmful effects of the Title I formula. These amendments were strongly supported by the American Federation of Teachers and the AFL-CIO. Prior to passing the bill, the House approved an antibusing amendment sponsored by Rep. Martin Esch (R-Mich.). (See Civil Rights, Civil Liberties: School Desegregation-Busing.)

In the Senate, the Labor and Public Welfare Committee reported a labor-supported Title I formula which both preserved ongoing programs and took into account population shifts which had occurred since the original Title I formula had been written. However, in Senate debate, Sen. John McClellan (D-Ark.) succeeded in passing an amendment reverting the formula to the House-passed version. While giving 30 states additional funds, his amendment slashed funds for at least 35 major cities. Although adoption of this amendment was a setback, the Senate bill did contain provisions meeting urban education program needs by making public housing students eligible for impact aid. The Senate bill, passed overwhelmingly, continued for one year a special Title I program which provides funds to areas having the highest concentration of disadvantaged students. The Senate rejected the Administration's revenue-sharing proposal and narrowly defeated an anti-busing proposal by Sen. Edward Gurney (R-Fla.).

In the conference report which followed, later approved by Congress and signed by President Ford as P.L. 93-380, conferees agreed to the Senate changes in the impact aid program, the one-year extension of the special Title I program and a compromise amendment on school desegration. The compromise four-year $25 billion bill also extended programs in bilingual education, vocational and adult education, provided for major increases in education programs, for the handicapped and created a new program of reading improvement.

Education Appropriations, 1974-1975—Final action on the extension of the Elementary and Secondary Education Act (ESEA) was not completed until after the House had passed a Labor-HEW appropriations bill for 1975 funding. As a result ESEA funds for 1975 were included in a supplementary appropriations bill which cleared Congress late in 1974. During House consideration, Rep. Edward Roybal offered a labor-supported amendment, backed by the American Federation of Teachers, providing an additional $193.6 million education funds for ESEA, including $76 million for Title I funding and $62.6 million for impact aid. The House voted 253-145 to accept the Roybal amendment. These

funds were retained in the final bill which allocated $5 billion for elementary and secondary education programs in 1975-1976.

During 1975 consideration of President Ford's education budget, the House Appropriations Committee reported a separate education appropriations bill that restored more than $1.8 billion in on-going education programs which the Administration had sought to terminate. However, in view of the financial crisis facing states and communities and threatened cutbacks in education programs, the AFL-CIO and the American Federation of Teachers backed an amendment to further increase education appropriations for 1976. Sponsored again by Roybal, along with Reps. David Obey (D-Wis.) and Louis Stokes (D-Ohio), the proposal added $487 million for aid to disadvantaged children, bilingual education services, programs for handicapped children and funds for the follow-through program to help children from poverty backgrounds keep up in school. The House agreed 259-143 to the amendment and then overwhelmingly approved the appropriations measure.

In late June the Senate, amid threats of a presidential veto, completed action on a $7.6 billion aid-to-education bill. The legislation exceeded President Ford's budget request by $1.5 billion and included $725 million for federal impact aid to school districts. In early July conferees reported a compromise $7.4 billion bill which the Congress approved in mid-July.

However, on July 25, as had been expected, President Ford vetoed the appropriations bill. The House has scheduled an override vote on this veto in early September, and the AFL-CIO has called on the Congress to override the veto.

Higher Education

The Higher Education Facilities Act of 1963 and the Higher Education Act of 1965 gave the federal government some responsibility for meeting the cost of higher education. Nixon Administration budgets, diminishing state and private financial contributions, accompanied by mounting tuition costs, have swelled the numbers of young people unable to obtain higher education because of high cost.

The AFL-CIO, during House hearings on legislation expanding federal aid to high education programs, advocated increased federal assistance to both colleges and college students in order to "bring the cost of college within the means of most young sters from low- and middle-income families." At the present time House hearings are continuing on this legislation.

Vocational Education

The landmark Vocational Education Act of 1963 and the 1968 amendments was victimized by Nixon Administration budget cuts and attempts to consolidate vocational education funds into revenue-sharing block grants to the states which would have greatly threatened the effectiveness of these programs.

The Ford Administration in 1975 again proposed a revenue-sharing consolidation of the categorical education programs, including vocational education, into a single block grant. The Administration also recommended budget cuts of over $125 million in state grants for vocational education. During House hearings on extending the Vocational Education Act, the AFL-CIO urged Congress to reject these budget cuts as well as attempts to convert vocational education into part of a bloc grant program. The AFL-CIO supported the bill of Rep. Carl Perkins (D-Ky.) to extend the Vocational Education Act with strengthening amendments to insure that funds be spent for specific vocational goals, particularly in apprenticeship training and for education tailored to meet previously short-changed urban vocational needs.

House and Senate hearings are continuing.

Veterans' Educational Benefits

Congress easily overrode President Ford's late 1974 veto of an increase in veterans educational benefits under the GI Bill. Previously no President had ever vetoed legislation increasing veterans benefits.

During 1973 House hearings, the AFL-CIO advocated significant benefit increases to meet rapidly escalating costs of living, especially education costs. But the House, later that year, passed only an inadequate 13 percent benefit hike.

The Senate Veterans' Affairs Committee, chaired by Sen. Vance Hartke (D-Ind.), reported a GI bill in June 1974 that was strongly supported by the AFL-CIO. It provided an 18.2 percent across-the-board increase in benefits; a tuition assistance allowance of up to $720 (primarily for veterans not having access to a low-cost, state system of higher education); a $2,000-a-year loan program for veterans attending higher-cost universities, and extended program eligibility from 36 to 45 months. The bill also contained labor-endorsed safeguards against deceptive practices by so-called "approved for veterans" correspondence and vocational schools.

In conference, veto threats by the Nixon Administration forced extensive cutbacks in the Senate version. The compromise conference report instead adopted a 23 percent benefit increase but eliminated tuition assistance and cut the loan program to a yearly maximum of $1,000. Eligibility extension and "deceptive practices" safeguards were retained.

When the conference report reached the House floor in late August, House conservatives reacted to veto threats from the new Ford Administration by using an unusual parliamentary maneuver to side track the conference report and pass a much-weaker substitute bill. It cut benefit increases to 18 percent and eliminated the yearly loan program and eligibility extension. The Senate stood firm and forced a second conference on the bill.

In early October conferees completed action on another compromise which restored the 22.8 percent benefit increase and eligibility extension, and authorized a $600-a-year loan program. This version was easily approved.

President Ford carried out his threat and vetoed the measure in late November, but one week later, the Congress by lopsided margins overrode the veto, thus enacting the bill as PL 93-508.

School Lunch Program

For over 30 years Congress and the federal government have continuously supported funding for the school lunch and other free food programs for the nation's schools. Organized labor has vigorously supported these programs, despite Republican-led efforts in recent years to slash funding.

By mid-February 1973 the Agricultural Department spent only 65.5 percent of the funds available for federal commodity purchases for the school lunch and breakfast programs. As a result, Congress required the department to maintain spending for the two programs at the levels budgeted for fiscal 1973. On March 30, President Nixon signed the bill into law as PL 93-13.

Later in the year conferees completed action on legislation sponsored by Rep. Carl Perkins (D-Ky.) increasing the federal reimbursement rate for the school lunch program from 8 to 10 cents per meal and setting at 8 cents per meal the basic federal payment for each school breakfast served. An attempt by Rep. Albert Quie (R-Minn.) to maintain the federal subsidies at existing levels was soundly defeated. On Nov. 7, 1973, President Nixon signed the bill into law as PL 93-150.

In 1974 Congress blocked continuing Administration efforts to cut back these programs by extending, through fiscal 1975, the Secretary of Agriculture's authority to buy commodities at non-surplus prices for the school lunch and other child nutrition programs.

In late April 1975 the House, in the face of Administration opposition, approved new subsidies for the school lunch program. The Administration had sought to turn the program into a block grant program with reduced funding. A compromise proposal by Rep. Carl Perkins (D-Ky.) providing a one-year, 5 cent per lunch federal subsidy in order to prevent price increases to eligible needy children was also approved. The bill also made the school breakfast program permanent, expanded eligibility for reduced-price lunches and extended eligibility for free lunches to the children of unemployed workers.

Senate hearings on this legislation are underway.

Poverty Program

Despite continuing Administration efforts to abolish the Office of Economic Opportunity (OEO) created under President Johnson's War on Poverty Program in the mid-1960s, Congress ap-

proved legislation in 1974 maintaining the major OEO programs. The primary target of the Nixon Administration has been the Community Action Programs (CAP), which act as an umbrella for various anti-poverty programs in local communities. The AFL-CIO urged continuance of poverty programs during House hearings on legislation extending the life of OEO.

In mid-May, the House Education and Labor Committee reported legislation extending all OEO programs through fiscal 1977, transferring various programs to cabinet-level agencies and creating a new Community Action Administration within the Department of Health, Education and Welfare to administer CAP. The bill decreased the federal share of CAP funding from an 80-20 formula (with local areas providing 20 percent of the funding) to a 60-40 matching formula. In House debate two weeks later, an effort by Rep. Albert Quie (R-Minn.) to strike the administrative protection of the CAP programs was easily defeated. After disposing of other amendments, including approval by voice vote an AFL-CIO-supported employee-protection amendment sponsored by Rep. William Ford (D-Mich.), the House easily approved the measure.

In late November the Senate Labor Committee reported a one-year extension of OEO with an option for the President to submit a reorganization plan to Congress transferring OEO programs to cabinet-level agencies. If the President failed to exercise this option by October 1975 or if either the House or Senate disapproved it within 60 days, then OEO would remain an independent agency. The Senate bill maintained the existing funding formula, thereby protecting rural CAPs that would have had extreme difficulty raising additional funds. To sustain various poverty programs during this transition period, OEO was given open-end authorizations through fiscal 1977. During Senate debate on the measure in mid-December, an effort by Sen. Jesse Helms (R-N.C.) to cut off all federal funding for OEO programs after fiscal 1976 was rejected 21-69. The Senate then passed the bill overwhelmingly.

In the conference report, approved by Congress in mid-December and signed by President Ford into law as PL 93-644 on Jan. 4, 1975, OEO was extended through fiscal 1977. The President was authorized to submit an OEO reorganization-transferral plan, subject to congressional veto. The new law also includes a compromise on the funding formula that helps protect the financing of rural and smaller programs.

In June 1975 the House, in approving a $35.9 billion Labor-HEW Appropriations bill, allocated $295 million for CAP programs in 1976. It accepted an amendment by Rep. Augustus Hawkins (D-Calif.) to add a total $75.2 million to the funds allocated by the House Appropriations Committee.

Senate deliberations on this appropriations measure are continuing.

Legal Services Corporation

A last-minute compromise enabled the 93rd Congress to approve legislation creating an independent legal services corporation, continuing the free legal assistance to the poor established by Congress in 1965 under the Office of Economic Opportunity.

Although twice blocked by the Nixon Administration in the 92nd Congress, the House had passed this legislation in 1973. However, a Senate filibuster late in 1973, led by conservative Senators Jesse Helms (R-N.C.) and William Brock (R-Tenn.), forced postponement of the bill until January 1974.

In late January, however, a cloture motion by Sen. Robert Taft (R-Ohio), carried 68-29 with the necessary two-thirds vote to end the filibuster. Efforts to weaken the bill failed, and the Senate overwhelmingly approved the bill.

In mid-May conferees agreed on a three-year, $280 million bill with open-ended funding for 1977. An 11-member board of directors nominated by the President and confirmed by the Senate—was established to oversee the activities of the corporation.

When the compromise went back to the House for approval, conservatives directed their opposition at legal research "back up" centers. An effort by Rep. John Ashbrook (R-Ohio) to delete this section by recommitting the bill back to conference was defeated 183-190. The House then approved the report 227-143.

In the Senate, controversy over this same provision heightened as President Nixon indicated he would veto the bill if it were maintained. Unsure of their ability to override a veto, Senate sponsors of the bill devised a strategy to eliminate the section. In early July, the Senate approved a routine motion to table the conference report and then approved its original version of the bill as passed in January.

Returned to the House, sponsors of the bill, led by Rep. Carl Perkins (D-Ky.), carried out this prearranged strategy. The House agreed 265-136 to a Perkins motion to substitute all sections of the original conference report for the Senate-passed bill, except for the controversial section. Rep. H.R. Gross (R-Iowa) tried to scuttle this strategy by moving to table the Perkins motion, but lost, 136-269.

Returned to the Senate once again, another Helms weakening amendment disallowing any legal research was rejected 34-61 and the Senate easily approved the House bill. President Nixon signed it into law in late July as PL 93-355.

Social Security Benefits

With the cost of living increasing in double digits since the 92nd Congress approved increases in Social Security benefits, Congress passed legislation in late 1973 providing a two-step, 11-percent benefit boost. Signed by the President on Dec. 31, 1973

as PL 93-233, the bill also increased the Social Security payroll tax wage base from $12,600 to $13,200 in 1974.

Initial benefits to be paid by the wholly federal supplemental security income (SSI) program, which replaced federal-state welfare programs on Jan. 1, 1974, were also increased. Provisions in existing law denying SSI recipients federal food stamps and Medicaid were repealed. Department of Health, Education and Welfare regulations on use of federal social services assistance funds by the states were suspended until 1975. (See Social Services Programs.)

The legislation also extended for 90 days the existing program of 13 weeks of additional federal-state unemployment benefits for workers in states with high unemployment rates who had exhausted their standard 26 weeks of benefits. (See Labor Legislation: Extended Unemployment Compensation Benefits.)

In his State of the Union message, President Ford urged Congress to limit the first of the mandated cost-of-living increases in Social Security benefits to 5 percent. A cost-of-living trigger was added to Social Security in 1972 to take effect in 1975. Ford's proposal was soundly condemned by the National Council of Senior Citizens and the AFL-CIO. As a result, the President was unable to get a member of Congress to introduce legislation limiting the increase, and an 8 percent cost-of-living increase for Social Security recipients took effect in June checks.

Social Services Programs

Prior to adjournment the 93rd Congress passed labor-backed legislation revising federal guidelines for state social services programs for low- and middle-income Americans. Amendments to the Social Security Act in 1962 had made available matching grant funds to the states for 16 social services programs, including day care, supplementary health care and unemployment services for past, present and potential welfare recipients.

In 1973 the Administration sought to drastically curtail this program, announcing restrictive regulations on the availability and financing of various programs. Strong opposition by Congress, the AFL-CIO and numerous other organizations led to congressional approval of a one-year suspension of the controversial regulations as part of legislation increasing Social Security benefits.

In late 1974 the House overwhelmingly approved federal guidelines for these programs, while maintaining the state matching grant formula based on population and a $2.5 billion spending ceiling. The legislation authorized federal funding of state social services programs directed at economic self-support, personal self-sufficiency, prevention or correction of neglected children or adults and preservation of families, prevention of inappropriate institutional care through community-based care programs, and institutional care where appropriate. Eligibility

for social services was also expanded. States are required to utilize 50 percent of their funding for services to welfare recipients, the remainder is for services to the working poor and lower- and middle-income families. The legislation also put into law the 1968 federal inter-agency requirements providing minimum standards for child day care programs, such as mandatory staff ratios and minimal educational services. It also added standards for programs for children under three.

In the Senate, despite efforts by Sen. Walter Mondale (D-Minn.), the Finance Committee reported out a weaker version. The measure contained a controversial "work bonus" program sponsored by Sen. Russell Long (D-La.), which was strongly opposed by the AFL-CIO as subsidizing employers paying substandard wages. Another provision was designed to force states to track down fathers who had allegedly deserted their families in order to collect aid to dependent children and permitted garnishments on any federal benefit due an absent parent such as Social Security and veterans benefits. It prohibited Aid to Families of Dependent Children (AFDC) payments to mothers who did not cooperate with efforts to locate an absent parent. The committee bill also substantially weakened the child day care provisions, shifting the emphasis from developmental to custodial care by making educational services recommended rather than mandatory as required under the 1968 requirements. In mid-December the Senate overwhelmingly approved the bill.

Working hurriedly prior to adjournment, conferees agreed on a compromise bill which essentially retained the House-passed, labor-supported provisions concerning federal guidelines for state social services. Conferees discarded the "work bonus proposal," which would have cost an estimated additional $600 million a year in federal revenues, but retained Senate language weakening day care standards and the regressive provisions relating to absent parents. On the last day of the session Congress approved the conference report which President Ford later signed as PL 93-647.

Social Security Financing

The AFL-CIO, during 1975 House Ways and Means Committee hearings on Social Security financing, proposed changes in funding to meet both long- and short-term fiscal problems. Labor spokesmen suggested an increase in all three Social Security financing mechanisms by: Raising the wage base in steps to $28,000; shifting a scheduled increase in the Medicare payroll tax; and initiating a federal contribution from general revenues amounting eventually to one-third of the program. The federation also urged correction of a technical flaw which added an automatic cost-of-living increase to retirement benefits and to the benefits schedule. This has resulted in a distortion of the link between wages and pensions in the benefits table.

House hearings are continuing.

Welfare Reform

The severe recession has greatly increased the number of America's poor. At the present time approximately 23 million Americans live in poverty with another 10 million considered near-poor. However, less than half of these are being helped by the nation's welfare programs.

As a result, the AFL-CIO in 1975 again urged Congress to begin a long overdue task of reforming the nation's welfare system. Among other recommendations the AFL-CIO urged that the federal government assume responsibility for welfare for the nation's needy, including families with dependent children, childless couples and individuals. Previous legislation establishing a Supplementary Security Income program assumed federal responsibility for assistance to the needy, elderly, blind and disabled. The federation also recommended: a national minimum payment to be raised in stages to not less than the poverty level, with states whose benefits are above the national minimum be required not to reduce payment levels; gearing welfare payments to increase with the cost of living; and federal funding of the increased costs of welfare as financially hard-pressed states and cities are unable to bear the additional financial burdens.

No action has yet been taken on various welfare reform proposals before the Congress.

Vocational Rehabilitation

Displaying a callous disregard for the needs of the nation's handicapped, the Nixon Administration used two vetoes and repeated threats of a third veto to force eventual congressional acceptance of a much-weakened bill extending the 1968 Vocational Rehabilitation Act.

After the Senate failed to override President Nixon's second veto of this legislation in March 1973, the House easily passed in early June a much watered down, two-year $1.35 billion vocational rehabilitation authorization. Although this was close to Administration budget proposals, eliminated many new programs opposed by the Administration and had wide bipartisan support, Rep. Earl Landgrebe (R-Ind.) tried once again, but failed, to drastically cut the authorizations. In late July the Senate completed action on its version, a three-year $2.2 billion bill, which similarly eliminated a number of special assistance programs opposed by the White House.

In early September conferees completed action on a compromise two-year, $1.55 billion authorization bill. On September 26 President Nixon signed the bill into law as PL 93-112.

National Foundation on the Arts and Humanities

The labor-supported National Foundation on the Arts and Humanities, established in 1965, has authority to extend finan-

cial grants to individuals and groups in order to encourage and support endeavors in these fields.

The AFL-CIO has strongly backed increased yearly appropriations for the foundation's activities, and in 1973 Congress extended the life of the foundation by passing a three-year, $697 million authorization bill. However, as part of the Department of Interior appropriations for 1974, Congress appropriated only $118 million of the $145 million authorized.

In 1974, Congress reduced funding for this agency even more drastically. During House deliberations on Interior appropriations for 1975, the Appropriations Committee cut $16 million from the Administration's funding request, allocating $41 million less than had been authorized for 1975. The House later approved this funding reduction.

During Senate Appropriations Committee hearings on the funding measure, the AFL-CIO urged, at a minimum, restoration of the $16 million cutback. The Senate, however, approved an appropriation identical to the House-passed bill which was signed by President Ford.

In 1975, AFL-CIO unions representing musicians and actors urged increased funding for the foundation over the $82 million proposed by the Administration for fiscal 1976. Pointing to the serious erosion of inflation which would cut the many programs financed by the foundation, AFL-CIO-affiliate representatives urged Congress to appropriate the full $126 million authorized for the arts subsidy program.

Eisenhower College

Congress acted in late 1974 to help financially-troubled Eisenhower College—a living memorial to the late President—by authorizing 10 percent, up to $10 million, of the proceeds from proof silver dollars minted in honor of the late President to be paid to the institution. The labor-supported bill also allocated 10 percent of the amount authorized to the Eisenhower College to be donated to the Sam Rayburn Library in Bonham, Tex.

Public TV

The AFL-CIO has continuously supported annual and increased funding for the Corporation for Public Broadcasting since 1967. CPB has spurred development of public broadcasting stations throughout the country and contributed greatly to the cultural and community awareness of the viewing public through its award-winning educational and dramatic programming.

A labor-backed effort to provide CPB with a two-year rather than one-year funding authorization was vetoed in 1972. But, congressional support for a change in the funding formula was renewed in 1973 as CPB administrators sought two-year funding to permit greater flexibility in program development, production

and contracting. As a result, the 93rd Congress in late July 1973 passed a scaled-down, two-year, $110 million CPB authorization. On August 6 President Nixon signed the authorization into law as PL 93-84.

The AFL-CIO renewed its support in 1975 for long-term CPB financing through a five-year program of annual matching federal grant funding based on the amount of non-federal funds raised. During House hearings, however, the federation criticized two aspects of CPB program policy: The imbalance of foreign-produced programming, and allowing corporate sponsors to underwrite specific programs thus giving them an opportunity for institutional advertising on a supposedly noncommercial network. The AFL-CIO recommended a ban on the use of federal funds for foreign programs with the requirement that privately-raised dollars used to buy foreign programs not qualify for matching U.S. tax funds. In order to encourage general grants by corporations rather than indirect advertising, the federation urged that corporate funding of specific programs also not qualify for matching federal payments.

While no further action has been taken on this legislation in the House, the Senate in late March reported legislation establishing long-term federal financing of up to $634 million for public broadcasting for fiscal 1976-1980.

Nomination of Joseph Coors

The AFL-CIO strongly opposed President Ford's nomination of Joseph Coors, to be a member of the board of directors of the Corporation for Public Broadcasting. Coors is a Colorado businessman well known for financing various right-wing political activities.

The AFL-CIO opposed his nomination contending that Coors' presence on the board would seriously impair the integrity of the public affairs programming of the CPB. Stating that "such programming can be successful only if its integrity is above reproach and it absolutely insulated against any ideological whim," the AFL-CIO urged the Senate Commerce Committee to reject this nomination.

At the present time, the committee continues deliberations on this as well as six other nominations to CPB.

Consumer Affairs

Consumer Protection Agency

Labor-backed legislation to establish an independent Consumer Protection Agency seemed destined for long-awaited congressional approval as the Senate in early May 1975 passed this important consumer bill. Similar bills had been sidetracked in each

of the last three Congresses after being approved by either the House or Senate.

In late March 1974 the House Government Committee reported the agency bill under the sponsorship of its former chairman, Rep. Chet Holifield (D-Calif.), and Reps. Frank Horton (R-N.Y.) and Benjamin Rosenthal (D-N.Y.). The bill authorized the agency to: represent consumer interests in proceedings of other federal agencies; utilize other agencies to gather pertinent consumer-related information, using subpoena power if necessary; and seek judicial review of other agencies' rulings affecting consumers. The bill included a broad exemption prohibiting agency intervention in labor-management relations, which are already monitored by the Labor Department, National Labor Relations Board and Federal Mediation and Conciliation Service.

Several efforts to substantially weaken the legislation were defeated. The most serious of these was a substitute bill offered by Rep. Clarence Brown (R-Ohio) which would have severely restricted the agency's power. Strongly opposed by labor and consumer groups, the Brown substitute was defeated 176-223. Opponents, led by Reps. David Dennis (R-Ind.), John Ashbrook (R-Ohio) and John Buchanan (R-Ala.), then offered as amendments various sections of the Brown substitute in repeated attempts to cripple the measure. The House rejected these efforts, including a last-ditch attempt by Buchanan to kill the bill by recommitting it to committee. Following this the House overwhelmingly approved the bill.

One month later the Senate Commerce Committee reported a substantially stronger version, sponsored by Sens. Abraham Ribicoff (D-Conn.), Jacob Javits (R-N.Y.) and Charles Percy (R-Ill.). The bill expanded the interventionary, investigatory and information-gathering powers of the agency while better insulating it from Executive Branch interference. The labor exemption of the House-passed bill was retained.

Because of co-jurisdictional aspects of the bill, the Government Operations Committee also considered the measure. In mid-May the committee reported legislation substantially similar to the Commerce Committee bill, except that it restricted the labor-management relations exemption to only labor disputes involving wages or working conditions affecting health or safety. This narrowing language, an attempt to engender labor opposition to the bill, became the major area of controversy during Senate debate in mid-July.

Opponents immediately sought Senate approval of the weaker labor exemption. Ribicoff and Javits succeeded in tabling this by a 49-42 vote. A second effort failed by an even larger 40-57 vote. Failing to maneuver labor opposition to the bill, Sens. James Allen (D-Ala.) and Sam Ervin (D-N.C.) began a filibuster in an attempt to permanently stall the measure. Unexpected assistance came from the White House which reversed its earlier support

for the measure and threatened to veto it. Four successive attempts to invoke cloture and cut off debate fell short of the two-thirds vote required. The last cloture motion on September 19 failed by a 64-34 vote—two short of the two-thirds needed.

In early March 1975 similar legislation with an effective labor exemption provision was reported by the Senate Government Operations Committee. Two months later, during floor debate, the Senate in a key 37-51 vote on May 12 rejected an effort led by Sen. Lowell Weicker (R-Conn.) to weaken the labor exemption. With a filibuster brewing, the Senate quickly garnered the two-thirds vote necessary to shut off debate, voting 71-27 to invoke cloture. The Senate then rejected a series of weakening amendments offered by Sens. John McClellan (D-Ark.), William Scott (R-Va.), Bill Brock (R-Tenn.) and Robert Griffin (R-Mich.). However, an amendment strongly opposed by proponents of the bill exempting agriculture from the consumer agency's purview was agreed to 55-34. On May 15 the Senate passed the consumer agency bill, 61-28.

House hearings on this legislation are expected shortly.

No-Fault Automobile Insurance

The House failed to take action in 1974 on Senate-passed, labor-supported legislation providing for "no-fault" auto insurance. The bill would have saved policyholders an estimated $1 billion a year.

Sponsored by Sens. Philip Hart (D-Mich.) and Warren Magnuson (D-Wash.) and reported by the Senate Commerce Committee in August 1973, the measure provided federal minimum standards for the states replacing the tort liability features of auto accident compensation systems with a system of first-party, "no-fault" benefits. Accident victims would be guaranteed immediate and fair compensation of accident losses without lengthy and expensive court proceedings to determine fault. Reduced legal fees would decrease the cost of insurance and be passed on to the consumer in a form of lower premiums, improved coverage and more equitable accident benefits.

Strongly opposed by the Nixon Administration, some insurers and both the American Bar and American Trial Lawyers Associations, the bill was then referred to the Senate Judiciary Committee where similar legislation had died in the 92nd Congress. However, in early 1974, the committee favorably reported the "no-fault" bill.

During debate on the bill, in late April 1974, the Senate rejected several crippling amendments introduced by Sens. Marlowe Cooke (R-Ky.), Howard Baker (R-Tenn.) and Roman Hruska (R-Neb.). A labor-backed amendment by Sen. Walter Mondale (D-Minn.) allowing coordination of medical benefits under both health and auto insurance policies, thereby resulting in further

reductions in auto insurance premiums, was easily approved. Following the disposition of other amendments, the Senate, in a key 53-42 vote, approved the Hart-Magnuson bill.

Although the House subcommittee hearings were held, no further action was taken in 1974. Introduced again in 1975, the Senate has completed hearings with House hearings scheduled for mid-summer.

Consumer Warranties

The only major consumer legislation passed during the 93rd Congress was a bill providing minimum federal standards for product warranties and guarantees. Additionally, it strengthened the powers of the Federal Trade Commission to safeguard the interests of consumers.

Warranty legislation sponsored by Senators Warren Magnuson (D-Wash.) and Frank Moss (D-Utah) was passed by the Senate in early September 1973. The bill required manufacturers offering full warranties to repair or replace defects within a reasonable time and without charge. It defined specific limitations on partial guarantees and differentiated between partial and full guarantees. The FTC is permitted to seek injunctions against deceptive or fraudulent business practices and to initiate court action to obtain specific redress against unfair trade practices.

The House Commerce Committee in early June 1974 reported a controversial version of the legislation sponsored by Rep. John Moss (D-Calif.). While including warranty standards similar to the Senate-passed measure, the committee bill substantially weakened FTC consumer protection powers. It dropped the labor-supported FTC consumer redress section and effectively crippled FTC consumer protection powers by hampering rule-making procedures. The measure also reasserted Justice Dept. control over FTC procedures by withdrawing authority granted under the 1973 Alaskan Pipeline bill giving the agency the power to argue its own cases in court.

During House debate in mid-September, Rep. Bob Eckhardt (D-Tex.) offered a labor-supported amendment restoring the consumer redress provision of the Senate-passed bill. Despite strong labor and consumer support, the House rejected the amendment, 180-209. After defeating two other amendments, the House overwhelmingly passed the warranty bill.

In conference, agreement was reached on the warranty standards provisions. Regarding FTC authority, conferees agreed to allow the agency to send its lawyers into court in certain types of cases stemming from FTC rules and actions, and maintained the Senate-passed consumer redress section. The conference report, later approved by Congress and signed by President Ford as PL 93-637, also modified restrictions on FTC rule-making authority.

Food Inspection

The 1938 Federal Food Drug and Cosmetic Act gave the Food and Drug Administration (FDA) authority to protect consumers from unsafe food by inspecting food processing plants and prohibiting interstate shipment of adulterated or misbranded food or drugs. But a 1972 Government Accounting Office (GAO) study found as much as 40 percent of the nation's 80,000 food processing plants were operating under unsanitary conditions, with many plants inspected on an average of only once every five to seven years.

As a result, in mid 1973 the Senate passed labor-supported legislation, introduced by Senators Warren Magnuson (D-Wash.) and Philip Hart (D-Mich), strengthening the 1938 law by improving government inspection of food processors. The legislation required food processors to: maintain records of safety procedures and standards for inspection by government investigators; immediately notify the FDA of any potential food adulteration in their plants; and submit "safety assurance procedures" for governmental approval. The bill also included a labor-backed amendment requiring the FDA to inspect food plants at least once a year.

Despite Senate passage of this legislation, the House failed to take any action on it, and the bill was re-introduced in the 94th Congress.

Regulation of Toxic Chemicals

Workers have little protection against the dangers posed by potentially-harmful chemicals. Thousands of compounds used in industry have not been screened or effectively tested. Only when a substance has been determined as hazardous to workers can the government act under the Occupational Safety and Health Act—a painfully slow process. The National Institute for Occupational Safety and Health (NIOSH) has a listing of 13,000 potentially-hazardous chemicals, and has recommended standards for 46. For some 1,300 cancer-causing chemicals, no standards have been promulgated.

To reduce the risk to public health and safety resulting from use of hazardous substances, the House and Senate completed action in July 1973 on differing versions of legislation authorizing the Environmental Protection Agency (EPA) to control the sale and production of toxic chemicals. The legislation required the EPA to conduct pre-market testing of these substances to determine whether production and distribution should be restricted, maintain a listing of potentially dangerous chemicals, and permitted citizen suits against alleged violators of the law. However, conferees failed to reach agreement on the extent of the EPA Administrator's power before the 93rd Congress ended 17 months later.

During 1975 Senate Commerce Committee hearings on similar legislation introduced by Sen. Warren Magnuson (D-Wash.), the AFL-CIO called for swift congressional action on toxic substance control bill. The federation advocated strengthening amendments to promote inter-agency collaboration in order to avoid jurisdictional conflicts between EPA and OSHA.

As of this writing, Senate hearings have been concluded.

Broadcast License Renewal

Although passed by the House and Senate, the 93rd Congress ended without action on legislation to amend the Communications Act of 1934 by extending the term of broadcast licenses from three to five years, while putting new limits on the Federal Communications Commission (FCC) prerogatives to revoke licenses. The AFL-CIO, consumer and minority groups strongly opposed the extension.

The legislation would have insulated existing broadcast licenses for an additional two years from challenges by eligible competitors and, thus, effectively weakened the FCC requirement that license holders continually serve "the public interest."

In early May the House reversed a compromise recommendation of its Interstate and Foreign Commerce Committee, which had increased the license renewal period from three to four years by accepting a five-year term of license amendment by Rep. James Broyhill (R-N.C.). In overwhelmingly approving this industry-supported legislation, the House agreed to a restriction prohibiting the FCC from considering the potential monopolistic effects of media cross-ownership—that is, control of more than one media source in an area—as a reason for denying reissuance of a license.

When it took up the bill in early October, the Senate agreed, 62-10, to a similar labor-opposed amendment extending the license term to five years. Following the approval of other amendments, the Senate then approved the bill by a lopsided vote. However, because of other differences between the House and Senate versions of the bill, conferees failed to reach agreement before the 93rd Congress ended.

While similar licensee extension legislation has been introduced in the 94th Congress, no action has been taken.

Quello Nomination–FCC

The retirement of Nicholas Johnson, known for his consumer viewpoint on the Federal Communication Commission, gave President Nixon the opportunity to nominate James H. Quello as one of the seven FCC commissioners. Strong consumer and minority opposition to the Quello nomination developed, because of his lack of responsiveness to these issues as a career broadcast executive.

The AFL-CIO charged that the FCC is "composed of those whose lifelong employment, habits and associations fit them only to represent the private interests of the very industry the FCC is charged with regulating in the public interest." In urging that the Johnson vacancy "be reserved for a person who clearly represents the interests of the American people," the federation asked the Senate Commerce Committee to reject the Quello nomination. However, the committee approved the nomination, as did the Senate by voice vote on April 23.

Fair Credit Reporting

Although hearings were held on labor-supported legislation to expand consumer safeguards in the 1970 Fair Credit Reporting Act, the measure died in the Senate Banking Committee. Introduced by Sen. William Proxmire (D-Wis.), author of the original law, the bill would have: mandated complete disclosure of all the information in an individual's credit information file, including its source; entitled individuals to personally inspect their files and obtain a written copy of it upon request; required a person's written permission before a so-called "investigative" file could be compiled, and would have allowed individuals to know the questions to be asked and the likely sources to be contacted.

Similar legislation has been introduced in the 94th Congress, but no action has yet been taken.

Product Price Marking

Food and grocery chains are installing computerized check-out stands with product prices coded on the label for scanning by the computer rather than clearly marked on the product. This makes price comparison shopping impossible. Additionally, the elimination of price marking will eliminate thousands of jobs in the retail food industry at a time of high unemployment.

Legislation has been introduced by Reps. Benjamin Rosenthal (D-N.Y.) and Harold Ford (D-Tenn.) and Sens. Frank Moss (D-Utah) and Warren Magnuson (D-Wash.) requiring clear price-marking on any consumer commodity sold at retail. Senate hearings are scheduled on this legislation later in the year.

Fair Trade Laws

The AFL-CIO endorsed legislation in the 94th Congress to repeal the federal anti-trust exemption for state fair trade originally provided in the 1952 McGuire Act. Fair trade laws in 36 states protect minimum price-fixing agreements between product manufacturers and retailers on various brand name products. These regressive laws cost consumers an estimated $2 billion annually.

Legislation to repeal the anti-trust exemption for these state

laws has been introduced in the 94th Congress by Sen. Edward Brooke (R-Mass.) and Rep. Robert McClory (R-Ill.) House and Senate hearings are being conducted and the legislation has strong support from the Ford Administration and consumer groups.

Labor Legislation

Pension Reform

In 1974 Congress completed action on labor-endorsed legislation providing minimum federal standards for the administration of private pension plans, primarily in vesting, funding and fiduciary responsibility. This landmark legislation, the product of seven years of study and legislative deliberations, is designed to guarantee the retirement rights of over 25 million workers in the over 300,000 pension plans now in existence.

Late in 1973, the Senate overwhelmingly passed a compromise pension reform bill reported by the Labor and Public Welfare Committee, jointly sponsored by Sens. Harrison Williams (D-N.J.) and Jacob Javits (R-N.Y.), and the Senate Finance Committee, by Sens. Russell Long (D-La.) and Gaylord Nelson (D-Wis.).

In the second session the House Education and Labor Committee reported out a pension measure strongly supported by the AFL-CIO Similar legislation was reported by the Ways and Means Committee. A compromise bill was sent to the floor with labor support in late February.

During three days of debate, which ended with overwhelming passage of the measure, no major changes were made in the bill. A labor-supported amendment by Rep. Henry Reuss (D-Wis.) to strike a Ways and Means Committee provision increasing the Keogh Plan self-retirement, tax deductible contribution limit from $2,500 to $7,500 or 15 percent of annual salary whichever is greater, failed by voice vote. A proposal by Rep. Bill Archer (R-Tex.) eliminating Department of Labor co-jurisdictional responsibilities with the Treasury Department over the promulgation and supervision of pension plan vesting and funding standards was defeated 111-158.

Five months later, House-Senate conferees reached agreement on a compromise measure which was approved by Congress and signed by President Ford on Labor Day as PL 93-406. Included among important provisions of the Employee Benefit Security Act are:

Coverage—Applies generally to most private employee benefit plans; however, certain church, union-funded, public employee and other plans are not covered.

Eligibility and Participation—Generally, no plan would be allowed to require, as a condition of eligibility, an age greater than 25 or a period of service longer than one year (3 years for

plans which provide for immediate, 100 percent vesting or for crediting of all preparticipation service for benefit purposes).

Vesting—Pension plans would be given a choice of three vesting rules: (1) 100 percent after 10 years of covered service; (2) 25 percent after 5 years, so that an employee is 100 percent vested after 15 years of service; or (3) 50 percent vesting when age plus covered service equals 45, such percentage increasing by 10 percent each year until 100 percent (under the "Rule of 45," a participant must be 50 percent vested after 10 years of covered service).

Funding—All pension plans must make minimum annual contributions equal to normal cost plus 30 years (for single-employer plans) or 40 years (for multi-employer plans) amortization of unfunded accrued plan liabilities. Experience gains and losses are to be amortized over no more than 15 years for single-employer plans, 20 years for multi-employer plans.

Termination Insurance—Pension Benefit Guaranty Corporation, composed of Secretaries of Labor, Treasury, and Commerce, established in Department of Labor to insure payment of pension benefits. Corporation is authorized to provide plan termination insurance, to insure beneficiaries against benefit-loss arising from complete or partial plan termination, up to a maximum of $750 per month.

Reporting and Disclosure—Reporting and disclosure requirements in existing law are strengthened, with the Secretary of Labor allowed to simplify requirements for plans involving fewer than 100 participants.

Fiduciary Responsibility—Anyone who has or exercises power of control, management or disposition of a fund's assets or who has authority or responsibility in a plan's administration, is required to act prudently in the best interests of the participants.

Jurisdiction—Authority to administer the new law is shared by the Department of Labor and Internal Revenue Service.

Occupational Safety and Health Administration

Again in 1974 the AFL-CIO renewed efforts to increase funding for the Occupational Safety and Health Administration in order to secure an adequate inspection force necessary for effective enforcement of the law. During House Appropriations Subcommittee hearings, the AFL-CIO urged addition of 1,095 inspection positions to the 800-member compliance force. However, the full committee cut the Administration's OSHA budget by $1.6 million, allowing for an increase of only 150 compliance positions.

In House debate an effort by Rep. Steven Symms (R-Idaho) to cut the OSHA appropriation $30 million was rejected 179-218. However, the House agreed, 301-100, to an amendment by Rep. Robert Michel (R-Ill.) to divert $5 million to consultation services for small businesses. Rep. Paul Findley (R-Ill.), long

a foe of OSHA, offered an amendment to prohibit funds from being used for safety inspections in shops with 25 or fewer employees. Although the AFL-CIO strongly opposed the amendment because it would deny protection to more than 30 percent of workers and nearly 90 percent of workplaces covered by the law, the House approved the prohibition in a key 201-194 vote. An attempt by Rep. John Camp (R-Okla.) to delete all OSHA funding, although defeated 97-295, demonstrated the strength of House opposition to OSHA by garnering nearly 100 votes.

During Senate Appropriations Subcommittee hearings on Labor-HEW appropriations, the AFL-CIO again urged increased OSHA appropriations and elimination of the House-passed 25-employee exemption.

In mid-September the Appropriations Committee reported out the appropriations bill increasing OSHA funding by $2.7 million over the Administration request, to a total of $105.2 million for OSHA. Added funds were earmarked for hiring an additional 500 compliance officers, setting the total compliance force at 1,300 for 1975.

When the Senate began debate several amendments were considered. First was an Appropriations Committee amendment deleting the House-passed 25-worker exemption. Although strongly opposed by Senate conservatives led by Sen. Carl Curtis (R-Neb.), the Senate deleted the exemption in a key 60-29 vote. Subsequently, Curtis offered amendments providing for a 10-employee exemption, defeated 30-56, followed by a 5-worker exemption, rejected narrowly 42-44. Another crippling proposal by Sen. Strom Thurmond (R-S.C.) prohibiting OSHA inspectors from assessing penalties for first violations was defeated 36-55. The Senate then easily passed the Labor-HEW appropriations.

The conference report, approved by Congress in late November and signed by President Ford into law as PL 93-517 on December 9, appropriated $102 million for OSHA—an increase of $30 million over 1974. This allowed for the hiring of an additional 620 inspectors, bringing the total compliance force to 1,420. Conferees also agreed to eliminate the House-passed 25-worker exemption, but in a trade-off agreed to exempt firms employing 10 or fewer employees from OSHA's record-keeping and reporting requirements. The existing reporting exemption had been for firms employing 7 or fewer.

In 1975 the House Appropriations Committee reported a $35.9 billion Labor-HEW appropriations bill allocating $108.2 million for OSHA in 1976. The committee cut $7.8 million from the Administration's budget request, thus providing an increase of only $6.2 million over that appropriated for OSHA in 1975. During hearings, the AFL-CIO urged that $30 million of the $48.5 million requested by the Ford Administration for the inadequate state plans be shifted to federal job safety programs, with $25 million allocated to hire an additional 1,000 safety inspectors. However, the bill as reported by committee did not reallocate these funds.

While no major changes were made in OSHA funding during House debate, Findley renewed his efforts to seriously cripple OSHA. His amendment to prohibit OSHA from penalizing establishments with fewer than 25 workers for first violation of job safety regulations was rejected 186-231.

Senate deliberations on this appropriations measure are continuing.

Fair Labor Standards Act

President Nixon's veto in early September 1973 of a labor-supported minimum wage increase was overcome in 1974 when Congress successfully passed a virtually identical bill which was signed into law. The delay cost each low-income worker an estimated $250.

In early March, the Senate overwhelmingly passed the bill 69-22 after rejecting several crippling amendments, including a weak Administration-backed substitute sponsored by Sen. Peter Dominick (R-Colo.), which was defeated 30-65. Two weeks later the House easily passed a bipartisan-supported compromise bill reported by the House Education and Labor Committee.

One week later House-Senate conferees reconciled differences in the two versions of the minimum wage bill and set May 1 as the effective date for the first increase. Congress then approved the conference report by wide margins and President Nixon signed the minimum wage bill into law on April 8 as PL 93-259.

The legislation includes the following important provisions:

Wages—For those covered by the law before 1966, an increase in the hourly minimum wage rate from $1.60 to $2.00 on May 1, 1974; to $2.10 on Jan. 1, 1975, and to $2.30 on Jan. 1, 1976. Increases for other workers took effect on different dates.

Extension of Coverage—Wage and overtime coverage extended to an estimated 5 million federal, state and local government employees; domestic household workers earning more than $50 in a calendar quarter or working more than eight hours a week; retail employees in small stores were gradually phased in. Other exemptions were also ended.

Overtime Exemptions—Overtime coverage phased in for police and firefighters, and overtime exemptions for other types of employment repealed. Overtime exemption phased out for those in seafood canning and processing, maid and custodial employees in hotels and motels, food service and bowling establishment employees, employees of seasonal agricultural industries and of local transit companies. Exemptions were reduced for employees in cotton ginning and sugar processing and other hotel, motel and restaurant employees.

Student Workers—The 1974 law restates the 1961 minimum wage provision permitting full-time students employed part-time in retail, service and agriculture industries to be paid 85 percent of existing minimum wage rate.

In February 1975 the AFL-CIO Executive Council, blaming runaway inflation for eroding recent minimum wage increases, urged enactment of a $3.00 an hour minimum wage.

Child Labor

The House Education and Labor Committee killed an effort in 1975 to repeal a labor-supported restriction added to the 1974 amendments to the Fair Labor Standards Act prohibiting the employment of children under 12 years of age as hand-harvest laborers. The repealer was strongly pushed by commercial strawberry growers in the Pacific Northwest. The AFL-CIO opposed the repealer, branding child labor as "economically and socially undesirable."

Non-Profit Hospital Workers

Congress completed action in 1974 on legislation reinstating coverage under the National Labor Relations Act for employees of non-profit hospitals and nursing homes. Sponsored by Senators Alan Cranston (D-Calif.) and Jacob Javits (R-N.Y.) and Rep. Frank Thompson (D-N.J.), the bill repealed the 1947 Taft-Hartley exemption denying these more than 1.4 million workers basic union organizational and bargaining rights protected by NLRA.

The Senate Labor and Public Welfare Committee reported the Cranston-Javits bill in early April. It reconciled the right to strike with the need to maintain patient care by requiring either party to give a 90-day notice of intent to terminate or modify an existing contract, with a 60-day notice to the Federal Mediation and Conciliation Service. A 30-day notice to FMCS before beginning initial contract negotiation, and a 10-day notice before commencing a strike or picketing were also required.

When the Senate began debate one month later, Senators Peter Dominick (R-Colo.) and John Tower (R-Tex.) offered a series of crippling amendments affecting not only the instant bill but also the NLRA and the Occupational Safety and Health Act. Most serious of these were two Dominick amendments. The first provided for an additional 60-day cooling-off period before hospital workers could strike. It was rejected 37-49.

The second amendment would have seriously crippled OSHA by permitting discretionary rather than mandatory penalties for serious safety violations. By 47-40 the Senate tabled, thus defeating, this amendment.

The Senate also tabled 60-23, a Tower amendment transferring from the NLRB to federal courts jurisdiction over disposition of unfair labor practice cases. An effort by Sen. Sam Ervin (D-N.C.) to exempt religious hospitals, nearly one-third of those covered by the bill, was defeated 36-50. On May 7, the Senate passed the bill, 63-25.

Three weeks later the House Education and Labor Committee

reported legislation identical to the Senate-passed bill. However, during floor debate in late May, two anti-labor amendments, sponsored by Rep. John Erlenborn (R-Ill.), were accepted although previously rejected by the Senate. The first, approved 168-137, made mandatory an additional 60-day cooling-off period before a strike.

The second, approved by voice vote, exempted hospital employees whose religious beliefs forbade union membership from contributing even token financial support to a union. The House then passed the bill 240-58.

In conference, the Erlenborn cooling-off amendment was cut from 60 to 30 days, while the religious objector amendment was modified so as to require payment to a designated charity in lieu of union dues. Despite opposition by Erlenborn, the House approved the conference report 205-193.

The next day the Senate agreed 61-29 to the conference report. On July 26 President Nixon signed the bill into law as PL 93-360.

Prepaid Legal Services

Spiraling costs of legal services and increased demand among union members for such services spurred passage of labor-backed legislation in the 93rd Congress permitting negotiation of prepaid group legal service plans through collective bargaining. Introduced by Sen. Harrison Williams (D-N.J.) and Rep. Frank Thompson (D-N.J.), the bill amended the 1959 Labor-Management Reporting and Disclosure Act to permit unions to negotiate employer contributions to trust funds established to pay for legal services for union members and their families.

When the Senate took up the Williams bill in early May 1973, Senators John Tower (R-Tex.) and Paul Fannin (R-Ariz.) attempted to amend it to allow employers to refuse to discuss prepaid legal services in negotiations, thus negating the purpose of the legislation. The Senate, however, rejected the amendment 26-66 and then approved the bill.

In House debate on the Thompson bill one month later, Rep. William Steiger (R-Wis.) offered a similar amendment which the House rejected 177-223.

Rep. Delbert Latta (R-Ohio) offered an amendment that would allow employees, their families or dependents to select attorneys of their choice, "open panel," rather than those designated by the collectively-bargained "closed panel" plan. In many cases this would seriously undercut the cost-control purpose of the group legal services concept. Despite AFL-CIO opposition, the House approved the amendment, after which the Thompson bill was passed 257-149.

In conference, the Latta amendment was modified to allow the employer, the union and the workers in a prepaid legal services plan to select either an "open" or "closed" panel approach. This maximized the so-called "freedom of choice" language of

the amendment to allow formulation of a plan that best suits the needs of the employees and the financial resources of the plan. In late July the conference report was easily approved by Congress, and on August 15 President Nixon signed the bill into law as PL 93-95.

Situs Picketing

The U.S. Supreme Court in a 1951 Denver case interpreted the Taft-Hartley Act ban on secondary boycotts as making it illegal for a union to strike or picket a construction site if the object of that activity is to keep unions not directly involved in the dispute off the job. This decision unfairly discriminated against building trades unions by taking away from them the basic economic rights enjoyed by other unions in other industries. Despite the support of Presidents Truman, Eisenhower, Kennedy and Johnson, no action has ever been taken to correct this inequity.

In 1975, Rep. Frank Thompson (D-N.J.) and Sen. Harrison Williams (D-N.J.) introduced legislation "to protect the economic rights of labor in the building and construction industry by providing for equal treatment for craft and construction unions." The bill passed the House on July 25.

Workers' Compensation

Organized labor has long sought major improvements in workers' compensation laws which, according to a two-year study by the National Commission on State Workmen's Compensation Laws, exclude some 15 million workers and in 33 states offer substandard benefits.

Because of state inaction to improve these statutes, the AFL-CIO strongly supports legislation introduced by Sens. Harrison Williams (D-N.J.) and Jacob Javits (R-N.Y.) and Reps. Carl Perkins (D-Ky.) and Dominick Daniels (D-N.J.) establishing federal minimum standards for state workers' compensation laws based on the Commission's recommendations. Important provisions of this high-priority legislation are:

- Universal coverage of all workers (employed by private and public employers), except those presently covered by provisions of other federal statutes.
- Extension of protection to all injuries and occupational diseases which may be related to or arise out of employment.
- Benefits for totally disabled workers or surviving dependents in fatal cases of not less than two-thirds of the employee's average weekly wage, subject to a benefit ceiling which will rise eventually to 200 percent of the state average weekly wage.
- Minimum total disability of not less than 50 percent of the state average weekly wage or the injured worker's average weekly wage, whichever is less. In addition, the standards would

require minimum benefits upon death or for death following total disability to surviving dependents.

- No time or dollar maximum limitation for death or total disability payments, medical care or rehabilitation services.
- Periodic adjustment of benefits so that persons who go on disability will have benefits increased to reflect rises in state average weekly wage.
- Minimum standards for second injuries, qualifying periods, and procedural benefits including addition of legal fees to awards, legal assistance to claimants where appropriate, free choice of physicians and protections of benefits against insolvency of employers or carriers.

Although only Senate hearings were held in the 93rd Congress, these hearings represented significant progress towards the eventual enactment of this important labor legislation.

Unemployment Compensation

During 1975 the AFL-CIO renewed its long-standing support for federal minimum standards for unemployment compensation. At House Ways and Means Subcommittee hearings, the AFL-CIO called for:

State maximum weekly benefit amount equal to at least 66⅔ percent of former weekly wages or a maximum of 75 percent of the statewide average weekly wage.

Extension of coverage to all wage and salary workers.

Reasonable qualifying requirements not to exceed 20 weeks of work for 26 weeks of benefits.

Encouraging states to eliminate the "waiting week"; limit disqualifications to a maximum period of six weeks or the average period of joblessness in the state, whichever is less.

Prohibitions against disqualification of workers involved directly or indirectly in labor disputes, included workers on strike, those unemployed as a result of a lockout, layoffs during negotiations or employer violation of any state or federal labor law or arbitration decision, or a labor dispute occurring at a location other than the worker's place of employment.

Improved financing by strengthening reserve funds, prohibiting zero tax rates, and raising the taxable wage base in steps to the same base used for Social Security.

The proposed legislation also includes an extended benefit program on a continuing basis for long-term unemployed workers who have had a firm attachment to the labor force, with vocational guidance and training and other types of assistance needed to qualify them for suitable jobs.

House hearings continue on this issue.

Extended Unemployment Compensation Benefits

For the fourth consecutive year in 1974, Congress approved a 13-week extension of unemployment compensation benefits. Added by the Senate to the Supplemental Security Income pro-

gram, this extension enabled the payment of additional benefits in states with a 6 percent jobless rate. Six states were already providing extended benefits, and this amendment initially enabled another 16 states to qua[illegible]y for the program.

Later in the year, with unemployment soaring, Congress passed and the Pr sident signed two emergency unemployment benefits bills. The first provided still another 13-week extension of benefits which, coupled with previous benefits extensions, would provide a maximum of 52 weeks of unemployment benefits for covered workers. The second measure extended unemployment compensation coverage for 26 weeks to those workers not covered by unemployment compensation, including state and local government employees, farmworkers and domestic workers.

Responding to the growing unemployment crisis in April, Congress provided still another 13-week extension of unemployment benefits as part of the tax-cut bill. This extension would assist workers in nine states who had exhausted their regular and emergency benefits.

Anti-Strike Legislation

In mid-July 1974 the Senate passed legislati[illegible] sponsored by Sen. Daniel Inouye (D-Hawaii) providing for a[illegible]matic imposition of an additional 160-day "cooling off" period in strikes affecting shipping between the West Coast and Hawaii and other Pacific islands, on top of the 80-day Taft-Hartley "cooling-off" period. An anti-strike injunction could be issued on application by any island chief executive, employer or union involved.

The AFL-CIO strongly opposed the proposal, which was adversely reported by the Labor and Public Welfare Committee, as "a return to the discredited past . . . of government by injunction (which) served both to exacerbate employer-union relations and to discredit the federal courts in the eyes of working people." Despite this, the Senate passed the bill, 58-39, after rejecting a motion to recommit.

Late in the session, during House debate on federal loan guarantees to the nation's railroads, Rep. Spark Matsunaga (D-Hawaii) attempted to add th[illegible] Inouye anti-strike bill to the bill. The House voted 93-263 against a debate rule to allow consideration of the Matsunaga amendment at that time, and, thus, killed the measure.

Food Stamps for Strikers

Altho[illegible]gh defeated in 1973, anti-labor forces renewed their efforts [illegible] 1974 to deny food stamps to the families of striking union members. During House debate on the 1975 Agricultural Appropriations bill, conservatives, led by Rep. William Dickinson (R-Ala.), failed 147-169 to add this prohibition.

In the Senate, Sen. Jesse Helms (R-N.C.), who failed twice

in 1973, tried again to add the anti-striker amendment to the Agricultural Appropriations bill. For the third time, the Senate rejected Helms' effort 35-52.

As a result of President Nixon's veto of the appropriation, the House and Senate wrote a revised bill. During Senate deliberations in late November, Helms again tried and was again defeated, 34-55.

Farm Labor Contractors

The Farm Labor Contractor Registration Act of 1963 requires any person acting as a farm labor contractor or so-called "crew leader," who for a fee recruits, furnishes or transports 10 or more migratory workers at any one time for interstate agricultural work, to register with the Department of Labor. However, a recent DOL study found that fewer than 2,000 of the more than 6,000 crew leaders were actually registered. Congressional testimony also revealed widespread abuses by labor contractors.

As a result, the 93rd Congress amended the 1963 law to better protect agricultural workers. The bill required crew leaders: to identify, as a condition of receiving a registration certificate, all vehicles and housing used for farm workers; to prove they are in compliance with federal health and safety standards; to provide insurance equal to the amounts required by the Interstate Commerce Commission for vehicles transporting passengers in interstate commerce; and to disclose to the workers the period of employment, as well as the existence of a strike or other work slowdown at the place of contracted employment. Contracting growers are required to insure that a crew leader is certified. The bill also prohibits crew leaders from knowingly hiring illegal aliens (also see Foreign Affairs: Immigration—Illegal Aliens) or harassing workers who file complaints.

President Ford vetoed the bill in late October 1974 because of opposition to a provision relating to Labor Department hearing examiners. One month later, Congress repassed the measure without the controversial provision and it was signed into law as PL 93-518.

Sugar Workers' Protection

In an effort to improve the wages and working conditions of sugar workers, the AFL-CIO and the affiliated Amalgamated Meatcutters and Butcher Workmen urged the House Agriculture Committee to increase the minimum wages of sugar workers and to provide on-the-job insurance against work-related injuries as part of legislation extending the Sugar Act. However, the bill reported by the committee included only some of these provisions.

When House debate began in June on the extension, the AFL-CIO endorsed four worker protection amendments, all of which

were opposed by the Administration, the Farm Bureau Federation and Agriculture Committee Chairman W. R. Poage (D-Tex.).

The first amendment, offered by Rep. William Ford (D-Mich.) and passed 244-143, required that the Secretary of Agriculture consider additional criteria which could provide a higher minimum wage for sugar workers. A proposal by Rep. James O'Hara (D-Mich.) requiring sugar growers employing field workers at piece rates to pay workers at least the hourly minimum wage determined by the Secretary of Agriculture was approved 233-151. Two other labor-supported amendments were also easily approved: One by Rep. Bob Bergland (D-Minn.) requiring employers to provide job accident insurance for employees, and another by Rep. Tom Foley (D-Wash.) providing for penalties against growers who violate labor protection provisions.

However, because of consumer group opposition against aid to sugar growers, the House then defeated the entire bill.

Federal Pay Raise

The 1962 Federal Employees Salary Reform Act established for the first time that wage rates for federal workers should be comparable to those paid in the private sector for the same level of work. The Executive Branch was required to report annually on the status of federal pay comparability and submit a report to Congress with recommendations for legislation.

In 1970 Congress amended the Federal Pay Act removing Congress' direct legislative authority and allowing presidential pay recommendations to go into effect on a semi-automatic basis, subject to a congressional veto by either the House or Senate within 30 days of their submission to Congress.

In the first four years following enactment of the 1970 law, Republican Administrations have sought to slash or postpone federal salary increases. During the 92nd Congress, efforts by the Nixon Administration to reduce or defer federal wage increases were twice rejected. In the first session of the 93rd Congress, the Senate, for the third consecutive year, rejected still another attempt by the Nixon Administration to delay a 4.8 percent pay increase for federal workers as the Senate voted 72-16 to reject the President's delaying effort. Yet, despite this raise, federal workers found themselves far behind the year-end 8.8 percent cost of living increase.

In early September 1974 the Ford Administration proposed a three-month delay of a scheduled 5.5 percent pay boost. With federal workers already having lost ground to inflation, and since the recommended pay increase lagged more than 6 months behind comparable wage rates in the private sector, the AFL-CIO opposed President Ford's effort. In mid-September the Senate voted 64-35 to reject the Administration's request.

Although federal workers received the recommended 5.5 per-

cent pay boost, by the end of 1974 they were still far behind the 12.2 percent increase in the cost of living. In two years federal workers received pay increases of only 10.3 percent when the cost of living increased by 21 percent.

In a related development, the Advisory Committee on Federal Pay, in earlier recommending a 7.2 percent pay increase, criticized President Ford's effort to delay the most recent of the scheduled pay increases.

In 1975 President Ford recommended a 5 percent lid on federal pay and annuity increases, as well as a 7 percent cap on Social Security benefit boosts. During House hearings on the President's budget the AFL-CIO and the federation's Public Employee Department strongly criticized these limitations and urged their removal.

Under the new congressional budgetary process (See Elections, Congressional Reform: Congressional Budgetary Reform) the House and Senate Budget Committees reported out the alternative congressional budget bills setting overall spending, revenue and deficit limits to guide congressional action on the federal budget. While the Senate bill contained no specific limits on federal pay annuities or Social Security benefits, the House version maintained the 5 percent pay and annuity lid. However during debate on the bill on May 1 the House rejected this committee provision adopting 234-171 a labor-backed substitute amendment by Democratic Majority Leader Rep. Thomas O'Neill Jr. (D-Mass.) eliminating the pay ceiling. This House action in effect blocked President Ford's attempt to unfairly penalize federal workers, but it is expected that forthcoming fall pay increase proposals will again face Administration opposition.

Federal Labor Relations

A major goal of organized labor is enactment of legislation to restructure labor-management relations within the federal government to assure federal employees the same basic organizational, recognition and collective bargaining rights now enjoyed by workers in the private sector.

The existing system, originally established by Executive Order by President Kennedy, has proved ineffective due to the lack of objective standards and requirements having the force of law which agency representatives and government unions are required to observe and carry out.

In the 93rd Congress labor-backed legislation to replace this system was introduced in the Senate by Sen. Gale McGee (D-Wyo.) and in the House by Rep. Frank Brasco (D-N.Y.). During 1974 House subcommittee hearings, AFL-CIO representatives and affiliates representing federal workers endorsed the bill, which would establish a system similar to that in the private sector under the National Labor Relations Act. The mea-

sure would: (1) Establish a three-member Federal Labor Relations Authority with responsibility for unit determinations, certification of bargaining representatives, prevention of unfair labor practices and resolution of collective bargaining deadlocks; and (2) allow an agency shop when requested by a union chosen as the exclusive bargaining representative, with workers having the choice of joining the union or paying a representation fee.

Similar legislation has been introduced in the 94th Congress.

Public Employee Collective Bargaining

Numerous bills dealing with collective bargaining rights for public employees were introduced in the 93rd Congress. Hearings were held by the House and Senate Labor Committees, during which spokesmen for AFL-CIO affiliates representing state and local government employees testified. Similar legislation has been introduced in the 94th Congress. The AFL-CIO will continue to press for enactment of legislation providing collective bargaining rights for public employees.

Railroad Retirement

Rail industry mismanagement of rail workers' pension and welfare funds in the early 1930s led to passage of the 1937 Railroad Retirement Act asserting federal control over this private pension system. Similar in funding and benefits to Social Security, Congress linked these two systems in 1951 by transferring funds from the railroad retirement plan to the Social Security system to cover payroll taxes these workers would have paid if they were covered by Social Security. In exchange, Social Security was directed to transfer benefit payments into the rail retirement program to cover these workers.

However, over a period of years a deficit in excess of $4 billion developed in the Railroad Retirement Fund because of reduced Social Security payments to the rail pension system and government investment of railroad retirement funds in low-yield government bonds. The latter cost the fund an estimated $2.4 billion that would have been earned if invested in securities with a higher return.

Acting on recommendations of the National Commission on Railroad Retirement, Congress in 1974 overwhelmingly approved labor-backed legislation providing U.S. Treasury contributions to the Railroad Retirement Board to eliminate the deficit. At the present time, required yearly funding is estimated at $285 million.

Although President Ford vetoed the legislation on October 12, Congress overwhelmingly overrode the veto four days later, enacting the legislation as PL 93-445.

Mutual Aid Pact Repeal

The so-called Mutual Aid Pact is a financial alliance among 16 of the 19 major airlines providing millions of dollars to airlines involved in collective bargaining disputes which causes in strikes. This "management rescue" pact has caused a dramatic increase in the duration of airline strikes. In many instances, airlines have actually made profits during strikes due to huge payments from the mutual aid pact; thus, the economic pressure to resume bargaining is negated.

The Civil Aeronautics Board has repeatedly rejected efforts of AFL-CIO affiliates to end this anti-collective bargaining pact. And in early 1975 the U.S. Supreme Court refused to consider a case brought by the unions to dissolve MAP.

As a result, legislation sponsored by Senators Mike Gravel (D-Alaska), Hubert Humphrey (D-Minn.) and Walter Mondale (D-Minn.) and by Rep. Joseph Karth (D-Minn.) to ban the Mutual Aid Pact was introduced in the 93rd and 94th Congress.

At the present time hearings are continuing on this labor-supported legislation.

Metric Conversion

Strong opposition by organized labor in 1974 killed legislation providing for nationwide conversion to the metric system of weights and measures.

During congressional hearings, the AFL-CIO took issue with a 1971 Bureau of Labor Statistics report, authorized by Congress in 1968, which was the basis of conversion legislation. AFL-CIO representatives said the report ignored the cost of metric conversion to workers and urged that any legislation provide "compensation and adjustment assistance to workers for the cost of tools, the cost of education and retraining, and other conversion transition costs."

Although reported by the House Science and Astronautics Committee in late October 1973, the bill was not taken up by the House until early May 1974. Sponsors attempted to have the bill considered under "suspension of the rules" whereby no amendments could be considered, including a labor-supported proposal to provide retraining and adjustment assistance to workers. A two-thirds vote is required to suspend the rules. On May 7, the House, by 153-240, failed to suspend the rules, effectively killing the bill.

During 1975 House hearings, the AFL-CIO supported legislation sponsored by Rep. James Symington (D-Mo.) establishing a Metric Monitoring and Assistance Board to explore the problems posed by metric conversion and to recommend measures to minimize adverse effects. The legislation also states that assistance should be provided to individuals and businesses adversely affected by conversion. The AFL-CIO urged labor, employer and

consumer representation on the board. Subcommittee hearings have been completed.

Postal Rates for Union Publications

Mailing costs for union publications doubled following implementation of the first-year rate surcharge increment of a 10-year Postal Service plan designed to phase-out federal subsidies for all classes of mail. This rate increase forced a number of union newspapers to suspend publication or cut back frequency. Overall, the 10-year plan would increase the mailing cost of second class mail over 800 percent.

Labor-supported legislation to extend the phase-in period was rejected by the House in 1973. However, in mid-1974, the sponsors of the legislation, led by Sen. Gale McGee (D-Wyo.) and Rep. James Hanley (D-N.Y.), revised the postal rate adjustment bill stretching out from 10 to 16 years the phase-in period for higher rates. Congress overwhelmingly approved the bill which President Nixon signed into law as PL 93-328.

Civil Rights, Civil Liberties

Voting Rights Act Extension

In 1965 Congress passed the Voting Rights Act, a landmark civil rights bill curbing the use of arbitrary and discriminatory voting practices, such as literacy tests and poll taxes, aimed at preventing blacks, principally in the South, from participating in the electoral process. Extended for five years in 1970 the law which applies to all federal, state and local elections has effectively increased black voter participation.

In early May, the House Judiciary Committee reported out a 10-year extension of the act, expanding its coverage to include Spanish-speaking Americans and other "language minorities" and flatly prohibiting the use of literary tests. When the House began debate on the bill, Republicans attempted to weaken the legislation. Rep. Charles Wiggins (R-Calif.) attempted to cripple the "trigger" mechanism under which state violations qualify it for sanctions under the voting law. However, the House rejected this maneuver 133-239. An attempt by Rep. Caldwell Butler (R-Va.) to make it easier for a state to escape from coverage under the statute was also rejected 134-279, as was an effort by Rep. Robert McClory (R-Ill.) to eliminate the extension of coverage to the Spanish-speaking and other minorities. Following consideration of other amendments, the House overwhelmingly passed the measure.

In the Senate, similar voting rights extension legislation was bottled up in the Senate Judiciary Committee by opponents of the bill led by Chairman James Eastland (D-Miss.). With the act due to expire in early August during the congressional recess,

the Senate leadership led by Sen. Mike Mansfield (D-Mont.) and Robert Byrd (D-W.Va.) circumvented these stalling tactics by calling up the House-passed bill for consideration and immediately filed a cloture motion against an expected filibuster. On July 21 the cloture motion was easily approved 72-19 and the Senate began debate on the extension. After defeating 17 weakening amendments and approving, 52-42, an amendment to extend the act for seven rather than 10 years, the Senate passed the legislation by an overwhelming 77-12 vote. On July 28 the House voted to accept the Senate changes in the bill. On August 6, President Ford signed the seven-year extension bill into law.

Enforcement of Non-Discrimination in Education

During 1974 House debate on a supplemental appropriations bill, Rep. Marjorie Holt (R.-Md.) offered a controversial amendment prohibiting the Department of Health, Education and Welfare from investigating and obtaining data on segregation from school districts. This anti-civil rights amendment would have effectively prevented enforcement of the 1964 Civil Rights Act and an anti-sex discrimination provision contained in the education amendments of 1972.

Despite opposition by the AFL-CIO, civil rights and other groups, the House adopted the amendment on October 1. However, in the Senate, Sen. Jesse Helms (R-N.C.) offered the Holt amendment, which was tabled and thus killed 43-36 on a motion by Sen. Edward Brooke (R-Mass.).

In conference the amendment was only slightly modified, and still crippled HEW enforcement procedures. On December 14 the House approved the report 212-196. In the Senate, Senators Hugh Scott (R-Pa.) and Mike Mansfield (D-Mont.) attempted to amend the conference report by allowing HEW to continue its present enforcement of anti-discrimination laws. An effort by Helms to weaken the Scott-Mansfield amendment was rejected, as was a motion by Sen. James Allen (D-Ala.) to table. Allen then began a filibuster against the proposal, but two days later the Senate obtained the two-thirds vote needed, 56-27, to invoke cloture and end the filibuster. The Senate then passed the Scott-Mansfield amendment 55-27 and overwhelmingly approved the conference report.

The Senate action forced House approval of the bill, 224-136, and minus the Holt amendment it went to President Ford for his signature.

School Desegregation–Busing

Busing—the transportation of students in order to achieve school desegregation and equal educational opportunity—has been an extremely controversial congressional issue for the past few years.

In 1972, Congress enacted modified restraints on busing, but rejected stringent House-passed language that would have prohibited busing of elementary students and limited busing for others to the "next closest" school to the student's residence and then only as a last resort.

However, in 1974 efforts were renewed to gain congressional approval of anti-busing language. During debate on extension of the 1965 Elementary and Secondary Education Act, the House approved, 243-117, an anti-busing amendment similar to 1972. Sponsored by Rep. Marvin Esch (R-Mich.), and strongly backed by the Nixon Administration, the amendment prohibited such busing to any but the "next closest" school and contained a "reopener" provision allowing localities under busing orders to reopen previous court desegregation orders.

In Senate debate in mid-May, Sen. Edward Gurney (R-Fla.) offered the Esch proposal, which the AFL-CIO urged the Senate to reject as "unconstitutional." By 47-46 the Senate voted to table and thus kill the Gurney amendment. Sen. Robert Griffin (R-Mich.) then offered an amendment which simply dropped the "reopener" section of the defeated proposal. Minority Leader Sen. Hugh Scott (R-Pa.) and Democratic Leader Sen. Mike Mansfield (D-Mont.) offered a compromise substitute for the Griffin amendment which restated the 1972 language that students should not be bused beyond the next closest school unless the courts found additional busing was constitutionally required. The Senate rejected 45-48 a Griffin motion to table the Scott-Mansfield compromise. The compromise was then approved 47-46.

The Senate also rejected an amendment by Sen. Jesse Helms (R-N.C.) forbidding federal agencies from withholding funds from school districts found to be practicing discrimination while under court-ordered desegregation plans.

Prior to a meeting by conferees to work out a compromise education bill, the House invoked a little-used procedure instructing its conferees to retain the House-passed anti-busing language. However, in late July the busing controversy was clarified by a Supreme Court decision involving cross-county busing in Michigan. The Court declared district boundary lines could only be ignored where each of the affected school districts had been found to practice racial discrimination or where boundaries had been deliberately drawn to promote racial segregation.

After two months of deliberations and as a result of the court decision, the conferees adopted compromise language prohibiting busing beyond the next closest school but allowing courts to order more extensive busing if it was determined necessary to guarantee a student his civil rights under the Constitution. The House-approved "re-opener" provision was modified to allow parents or a school district to seek to reopen a case only on the grounds that the time or distance traveled

was so great as to endanger the health of students or impinge on the educational process.

In late July Congress approved the conference report, later signed into law by President Ford as PL 93-380.

Hatch Act

The Political Activity Act of 1939, commonly known as the Hatch Act, prohibits some 5.5 million federal and certain state and local government employees from participating in partisan political activities. Although a 1969 congressionally-authorized study commission recommended easing Hatch Act restrictions on government workers, no action has been taken yet.

In the 93rd Congress, legislation broadly based on the commission recommendations was introduced in both the House and Senate, but no further action was taken.

Meanwhile the U.S. Supreme Court on June 25, 1973 reversed 6-3 an earlier Court of Appeals ruling that sections of the Hatch Act were unconstitutionally vague.

In 1975 the Hatch Act revision legislation was introduced by Senators Gale McGee (D-Wyo.) and Quentin Burdick (D-N. Dak.) and Rep. William Clay (D-Mo.) and others.

House field hearings are under way.

Federal Workers' Bill of Rights

For the second successive Congress the House again failed in 1974 to take action on Senate-passed legislation protecting federal workers against the abuses of their rights of privacy. Among other provisions the bill: curtailed the use of lie detector or psychological tests; prohibited coercion of federal workers to purchase savings bonds or to contribute to charitable campaigns; safeguarded the rights of federal employees to decide whether or not to participate in outside activities; guaranteed the right of presentation at all levels in disciplinary actions; and limited financial disclosures.

Similar legislation has been introduced in the 94th Congress by Sen. John Tunney (D-Calif.) and Rep. John Murphy (D-N.Y.). No action has yet been taken on this legislation.

Elections, Congressional Reform

Campaign Financing Reform

Early into 1975, the Senate Rules and Administration Committee reported campaign financing legislation providing House, Senate and presidential candidates with optional federal funding for their campaigns. Candidates could choose full public or private funding or a mixture of both. Limits were placed on total

allowable expenditures by candidates, national and state parties and contribution from individuals, groups and family members of candidates. Cash contributions and expenditures were limited to $100, and the strict reporting and disclosure provisions of a 1973 Senate-passed bill were also adopted.

In late March the Senate took up the campaign reform bill. During 13 days of debate the Senate considered numerous amendments. Sen. James Allen (D-Ala.) failed 33-61 in an effort to delete public financing. The Senate also rejected 39-51 Allen's effort to eliminate financing of congressional races. Allen then began a filibuster in an effort to kill the measure. However, the second attempt to invoke cloture was successful, despite Nixon Administration opposition.

Numerous other amendments were considered, including two blatantly anti-labor proposals. Sen. Howard Baker (R-Tenn.) wanted to prohibit unions from pooling voluntary political donations of its members, but the Senate rejected this anti-COPE amendment 36-53. Sen. John Tower (R-Tex.) took direct aim at COPE in proposing that any services provided by a political committee be given a monetary value within the overall campaign contribution limitations. This, too, was rejected 40-48.

A final effort by Allen to kill campaign financing reform by recommitting it to committee was rejected 35-53, and the Senate passed the bill, 53-32, on April 11.

On July 1, the House Administration Committee reported its version of the bill. While including provisions on reporting, disclosure and contributions limitations similar to the Senate-passed bill, it provided federal financing only for presidential campaigns. Five weeks later the House took up the bill.

During debate, efforts by opponents to weaken the bill and attempts by reformers to expand public financing provisions failed. While total spending limitations were lowered, the House first approved, but later rejected 205-206, an amendment by Rep. Bill Frenzel (R-Minn.) to remove a Senate-passed provision providing $2 million in funds for the two national party conventions, with minor party conventions provided funds based on their performance in previous elections. A system of public financing for congressional races, sponsored by Reps. John Anderson (R-Ill.) and Morris Udall (D-Ariz.), was defeated 189-228.

The House also defeated, in a key 164-243 vote, an anti-COPE effort by Rep. William Dickinson (R-Ala.) to impede the pooling of individual contributions by unions. He attempted to recommit the bill to committee with instructions to include a provision requiring union campaign funds to include the name of every contributor, as well as the specified candidate to whom the contribution would be given.

The House then overwhelmingly approved the campaign reform bill.

After a protracted conference, House-Senate conferees agreed in early October to a compromise measure closed to the House-passed version. It was approved and signed into law as PL 93-443.

Important provisions of the Federal Election Campaign Act Amendments of 1974 are:

Limitation Contributions—Individual contributions per candidate limited to $1,000 each for primary, runoff and general elections, with an aggregate limit of $25,000. Contributions from political committees, national and state parties limited to $5,000 per candidate with no aggregate limit. Strict limits were placed on contributions of candidates or family to their own campaign. Cash contributions over $100 and foreign contributions were prohibited.

Spending Ceilings—Besides strict limits on national party spending on individual candidates and repealing existing media spending limitations, the law sets the following ceilings:

- For presidential campaigns—primary elections spending ceiling of $10 million. Individual state presidential primary limit of twice that allowed a Senate candidate in that state's primary. $20 million limit in the general election. Each nominating convention limited to $2 million, with lesser amounts for minor parties.
- For Senate campaigns—primary spending limited to $100,000 or 8 cents per voter, whichever greater; general elections $150,000 or 12 cents per voter.
- For House campaigns—$70,000 primary and general election limit.

Exempted were expenditures of up to $500 for miscellaneous volunteer spending and on so-called "state cards" and sample ballots and a fund-raising cost of 20 percent of a candidate's ceiling.

Public Financing of Presidential Campaigns—The law establishes a voluntary, full public financing system with automatic qualification for major party candidates and independent candidates. Eligibility for proportionate funding based on past or current votes received. No private contributions are permitted when a candidate chooses public financing. For primaries, matching public funds up to $4.5 million per candidate available after meeting an accumulative, state-by-state fund-raising requirement. All public financing funds are derived from the dollar check-off Presidential Elections Campaign Fund on income tax returns.

Disclosure/Reporting Requirements—Requires the establishment of one committee for each candidate for reporting contributions and expenditures to the Federal Election Commission. The law also restates the right of labor unions and other entities to maintain voluntary political funds. (For a discussion of the law's effect on union political activities, see: Political Activities.)

Congressional Reform

The House completed action in 1974 on labor-backed legislation designed to streamline the committee system and modernize deliberative proceedings. This action, the first major reform since 1946, was the result of a two-year study of House committee structure and jurisdictions conducted by the Select Committee on Committees, chaired by Rep. Richard Bolling (D-Mo.).

The preliminary Bolling Committee report recommended several realignments in committee jurisdictions, the splitting and elimination of other committees and procedural changes was strongly criticized by the AFL-CIO, consumer and environmental groups and many members of the House. But the committee unanimously approved it with only minor changes.

However, the policy-making House Democratic Caucus was concerned that too much of the Bolling report represented minority party gains without producing real reform. As a result the report was referred to the Caucus Committee on Organization, Study and Review chaired by Rep. Julia Hansen (D-Wash.) for further study. The Hansen Committee issued its report in mid-July, which approved many of the Bolling Committee's reform recommendations and, at the same time, met many of the AFL-CIO objections. For example, Hansen report mandated subcommittees for large committees, thus ending a legislative logjam in Ways and Means. Other reforms included: a mechanism for bypassing the Rules Committee when it operated as a roadblock to needed legislation; mandatory staff for subcommittee chairmen and ranking minority members of subcommittees; a required updating and compilation of House precedents; some needed changes in committee jurisdictions; elimination of a proposal that members serve on only one committee; and a strengthening of procedural reforms proposed by the Select Committee. The AFL-CIO urged approval of the Hansen report.

The Democratic Caucus instructed the Rules Committee to allow consideration of both proposals on the floor, using the Bolling report as the primary bill with Hansen recommendations to be considered as a substitute measure. In late September the Rules Committee agreed to this procedure. At the same time, Rep. Dave Martin (R-Neb.), the major Republican co-sponsor of the Bolling report, announced he would propose a substitute bill deleting what labor considered to be the best sections of the Bolling report.

Under the procedure adopted, the Hansen plan and the Martin substitute were debated and amended first, and then considered as substitutes for the Bolling proposal. During debate on the Hansen measure, several amendments were considered. The first key amendment, offered by Hansen Committee member Rep. Frank Thompson (D-N.J.), granted the minority party one-third of the permanent staff of each standing committee, as well as

control over one-third of the investigative funds that committees use to supplement their regular staffs. It was approved 218-180.

Other significant amendments approved were those by: Rep. Richard Ichord (D-Mo.) reversing the proposed abolition of Committee on Internal Security of which he is chairman; Rep. Joe Waggonner (D-La.) restoring Rules Committee jurisdiction and authority to the status quo; Rep. Orval Hansen (R-Idaho) giving legislative authority to the select small business committee; and Rep. Bill Young (R-Fla.) establishing a non-legislative Select Committee on Aging.

The House then rejected 41-319 the Martin substitute.

A key vote then came on the issue of proxy voting in committee deliberations. Since House members would not be limited to single committee assignments, a total ban on proxy voting would greatly strengthen minority power in committee. Majority members, because of multiple committee assignments and conflicting schedules, might be absent from deliberations. Understanding the political advantage in banning all proxy voting, 149 Republicans (all but one of those present) joined Democrats to approving, 196-166, this labor-opposed amendment offered by Rep. Delbert Latta (R-Ohio).

Finally, the House voted 203-165 to approve the amended Hansen plan as a substitute for the Bolling proposal.

Among other provisions, the reform plan requires committees with over 15 members to establish at least four subcommittees and mandates that Congress return between Dec. 1 and 20 in election years to organize the next Congress in advance. The Speaker of the House is authorized to refer bills to more than one committee at a time, to several committees in sequence or to divide bills and send the parts to different committees. A compilation of House procedural precedents is to be completed by Jan. 1, 1977 and updated every two years.

The following major realignments of committee jurisdictions are made:

- Most transportation legislation consolidated in the renamed Public Works and Transportation Committee.
- Renamed the Interstate and Foreign Commerce Committee as the Committee on Commerce and Health, adding jurisdiction over health programs except those financed through payroll taxes.
- The retitled Banking, Currency and Housing Committee adds jurisdiction over renegotiation.
- The renamed Science and Technology Committee picks up jurisdiction over environmental and energy research and development, except nuclear.
- The renamed International Relations Committee gains authority over select international matters.

• Education and Labor Committee acquires jurisdiction over the Work Incentive program (WIN).

• The Government Operations Committee adds jurisdiction over general revenue sharing.

As adopted, the Committee Reform Amendments of 1974 laid the groundwork for the first Democratic Caucus of the 94th Congress.

Democratic Caucus Reforms

Meeting for the first time under the advance organizational provision of the recently-passed House reform plan, the Democratic Caucus in early December 1974 enacted a number of significant labor-backed reforms affecting the structure and procedures of House committees for the 94th Congress. Among reforms adopted, the caucus:

• Shifted responsibility of the Committee on Committees, which makes nominations for assignments to legislative committees, from the Ways and Means Committee to the Democratic Steering and Policy Committee. The Steering and Policy Committee includes the leadership, with the Speaker as chairman, members elected from regional zones and other members appointed by the leadership. It provides for a rotating membership and is expected to be more responsive and representative of the majority party in the House.

• Increased the size of the Ways and Means Committee from 25 to 37 members, changing its previously conservative composition to better reflect the liberal conservative ratio in the House.

• Authorized the Speaker to appoint members of the Rules Committee, assuring more responsiveness to the leadership.

• Adopted a new rule regarding subcommittee assignments which will improve the chances of more junior members of the House to obtain seats on more desirable subcommittees and provided for caucus election of Appropriations Subcommittee chairmen.

• Modified the existing caucus rule regarding closed committee hearings. That rule had been interpreted that once a committee votes to close a "markup"—that is, draw up the bill in final form—the remaining sessions would also be closed until consideration of the bill had been completed. The new modification mandates that a vote to close a hearing must be made at each meeting and taken publicly.

• Improved the procedure under which the caucus elects full committee chairmen.

• Established new ratios for all standing committees to more accurately reflect the newly-elected membership of the 94th Congress. The ratios of each committee were set at two Democrats for every one Republican, plus an additional Democrat.

The AFL-CIO had urged the caucus to also adopt a modification of the "closed rule" procedure. Previously, committee chairmen seeking to restrict the addition of floor amendments to legislation would request the Rules Committee to grant a "closed rule" barring all amendments. The labor-supported change would have directed Democratic members of the Rules Committee to allow for consideration of amendments supported by a significant number of members of the committee having jurisdiction over the legislation. However, the caucus took no action on this proposal.

In early January, the caucus again met and approved additional reforms to be recommended for approval by the full House. The caucus recommended approval of labor-backed proposals to enlarge the new House Budget Committee from 23 to 25 members to protect against the conservative domination of this key committee. It modified the ban on proxy voting to permit it under certain conditions and modified the requirement of one-third minority staffing of committees.

Taken to the floor for debate, a procedural effort by Republicans to scuttle the caucus recommendations was defeated 247-172. The House then approved the resolution implementing the caucus recommendations.

Later the caucus unseated three Democratic committee chairmen—Rep. W. R. Poage (D-Tex.) of the Agriculture Committee, replaced by Rep. Tom Foley (D-Wash.); Rep. Edward Hebert (D-La.), of the Armed Services Committee, replaced by Rep. Melvin Price (D-Ill.); and Rep. Wright Patman (D-Tex.) of the Banking and Currency Committee, replaced by Rep. Henry Reuss (D-Wis.).

Congressional Budgetary Control

In 1974 Congress completed action on budget reform legislation providing it with the necessary framework to exercise some control over the federal budget.

In late 1973 the House passed a budget reform bill creating a new House Budget Committee empowered to review and propose an alternative budget to that proposed by the President each year. It included an anti-impoundment provision allowing House or Senate disapproval of presidential impoundments.

In March 1974, the Senate unanimously passed its version of the measure, which was similar to the House-passed bill and included a modified impoundment-control provision. Conferees reported a compromise version of the bill in mid-June which Congress ratified and the President signed into law as PL 93-344 on July 12.

In summary, it allows Congress an overall review of the federal budget and establishes procedures under which Congress

formulates the budget. Separate Senate and House Budget Committees are established to be assisted by a new Congressional Budget Office in reviewing presidential budget proposals. Consulting with other committees, the Budget Committees will formulate an alternative budget containing tentative "target" totals for appropriations and spending by individual categories, as well as taxes, the budget surplus or deficit and the federal debt.

A strict timetable is established for consideration of the congressional budget, with the initial budget resolution acted on by May 15 of each year. Then the customary appropriations process begins on the 13 regular appropriations bills, which must be through conference by early September. A reconciliation of the initial budget resolution and the appropriations bills then takes place, with final action on the budget occurring no later than September 25—six days in advance of the new fiscal year commencing Oct. 1 each year instead of the present July 1. Starting in 1977 the Administration is required to submit its spending authorization requests one year in advance.

Impoundment Controls

Congress, in passing the budgetary reform legislation, included a provision requiring congressional review of future presidential impoundments of appropriated funds. Under the Nixon Administration, impoundments were used to effectively dismember many labor-backed social programs President Nixon had been unable to eliminate legislatively.

In 1973, the House and Senate had passed legislation providing for a mechanism of congressional review and reversal of impoundments. Concurrently, both houses were considering budgetary reform legislation. Because sponsors of both bills viewed the impoundment issue as intrinsically tied to budgetary reform, the House later amended its budget bill to include the previously passed anti-impoundment mechanism which allowed Congress to block impoundments when either the House or Senate disapproved.

After lengthy deliberation in March 1974, the Senate passed, without substantive changes, a compromise version of the budgetary reform bill. Previously the Senate had passed a stronger version of anti-impoundment legislation authorizing congressional disapproval of the presidential impoundments, which was missing from the budget reform bill. Instead, the Senate simply clarified the 1950 Anti-Deficiency Act by prohibiting impoundments under this statute for fiscal policy purposes.

The conference report, approved by Congress in late June and signed by President Nixon on July 12 as PL 93-344, adopted an innovative, compromise anti-impoundment mechanism. Unlike the earlier bills, the report recognized the distinct differences between impoundments that simply deferred spending and those that constituted program terminations or cuts in total spending

for fiscal policy purposes. For the latter, both the House and Senate would have to rescind the previous appropriation within 45 days of the impoundment or the President would have to spend the impounded money. For spending deferrals, either house could force expenditure by passing a concurrent resolution to that effect.

Conferees also adopted the Senate language limiting use of the 1950 Anti-Deficiency Act as grounds for impoundments. In requiring the President to report all impoundments, the Comptroller General was given the authority to take the President to court if he should refuse to comply with a congressional impoundment veto.

Senate Rule XXII–Filibuster Reform

Senate Rule XXII—the so-called "filibuster rule"—permits unlimited debate on any issue before the Senate, unless two-thirds of the members in attendance vote to invoke cloture and thus end debate.

The filibuster is a weapon used by a minority of the Senate to block progressive legislation, particularly civil rights and, more recently, economic and social legislation. Since 1917, of the 101 cloture votes taken, only 22 had been successful.

The AFL-CIO has long supported amending Rule XXII to make it easier to cut off debate after every Senator has been given opportunity to make his or her views known.

In 1975 Senators Walter Mondale (D-Minn.) and James Pearson (R-Kan.) introduced an amendment to Rule XXII permitting cloture upon a three-fifths vote of the members in attendance. When the Senate commenced debate in early February on this proposal, opponents, led by Sen. James Allen (D-Ala.), began a procedural filibuster against this rules change trying to block Senate debate on the issue.

A parlimentary battle ensued over the procedural question of whether the Senate at the beginning of each session could change its rules—in this case, invoke cloture—by a simple majority vote. Earlier attempts by reformers to change Rule XXII in this manner had failed despite favorable rulings by Vice Presidents Nixon and Humphrey who, when presiding over the Senate, had declared that ending debate on a proposed change in Senate rules could be effected by majority vote if the Senate so voted.

A resolution making this change was introduced by Pearson, but was objected to on a point of order raised by Sen. Mike Mansfield (D-Mont.). Mondale moved to table the Mansfield objection. Vice President Rockefeller ruled that if the Mondale tabling motion was passed, it would, based on earlier rulings, establish the important precedent that the Senate could change its rules by majority vote. In a key vote, the Senate agreed, 51-42, to table the point of order.

This victory was short-lived. Allen commenced a second fili-

buster against a motion to consider the Mondale-Pearson amendment. This tactic placed reformers in a parliamentary predicament. They could not change the debate rule by a majority vote, as the Senate had just voted, since no procedure would then govern debate except Rule XXII and the two-thirds vote it required to end debate. As a result, Allen continued what was to be a two-week filibuster against the Rule 22 change.

Realizing their dilemma, Senate reformers worked with the Democratic leadership to draft a compromise which would permit cloture by a "constitutional" three-fifths majority of the Senate. Thus, it would take 60 votes to end debate. In order to gain support of conservatives to end the Allen filibuster, the reformers agreed to support a reversal of the earlier vote establishing the "majority vote" precedent regarding Senate rules changes.

With this agreement reached, the Senate voted March 5 by a 73-21 margin to end the filibuster. After a number of procedural votes, which included reversing the majority vote precedent, the Senate voted 56-27 on March 7 to approve a substitute by Sen. Robert Byrd (D-W. Va.) amending Rule 22.

National Voter Registration

Fearful of an increase in black and lower-income voting participation, House Republicans and conservative Democrats blocked labor-endorsed legislation in 1974 designed to allow citizens to register to vote by mail.

In 1973, the Senate, in the face of strong Administrative opposition, overcame a filibuster by these same forces and passed its version of the postcard voter registration bill introduced by Sen. Gale McGee (D-Wyo.). Under the Senate-passed bill each voter would receive 45 days before the close of registration a pre-registration form explaining registration requirements. A qualified voter would simply fill out the postcard form and mail it back to the local registration officials who would continue to control registration. The bill also provided federal financial assistance to defray the cost of processing cards.

The House postcard voter registration legislation, sponsored by Rep. John Dent (D-Pa.), was reported Feb. 5, 1974 by the House Administration Committee. It would have directed the Postal Service to deliver federal election registration forms to all postal addresses. Completed forms would be returned by mail to local election officials for processing. The bill authorized $50 million to reimburse up to 30 percent of a state's registration costs if it adopted a similar register-by-mail system.

When the House took up the bill in early May, conservatives and southerners used a parliamentary maneuver to kill the bill by blocking, 197-204, routine consideration of the rule under which the bill would be debated.

Similar legislation is pending before the 94th Congress. Hearings have been held in the Senate.

Electoral Reform

A constitutional amendment to abolish the Electoral College and provide direct popular election of President and Vice President died in the 93rd Congress. Although passed in the House in 1970, this constitutional amendment was killed then by a Senate filibuster.

During 1973 Senate Judiciary subcommittee hearings on the proposal sponsored by Sen. Birch Bayh (D-Ind.), the AFL-CIO reiterated its belief that the amendment "would make far more workable our constitutional system of government." The AFL-CIO urged that in cases where no candidate received a plurality of at least 40 percent of the vote, that a run-off election be held between the top two candidates, rather than utilizing an alternative electoral unit vote procedure provided for in the Bayh bill.

While Senate hearings were completed, no further action was taken in the 93rd Congress. Similar legislation has been introduced in 1975 and Senate hearings have been completed.

D. C. Home Rule

The 93rd Congress completed long-overdue action on legislation providing home rule for the District of Columbia. Sen. Thomas Eagleton (D-Mo.) and Rep. Charles Diggs (D-Mich.) sponsored the compromise bill, which was approved by Congress and signed by President Nixon as PL 93-198.

Regulation of Lobbying

The 1946 Legislation Reorganization Act requires the registration, record-keeping and quarterly reports of income and expenditures of lobbyists representing organizations attempting to influence Congress. The AFL-CIO has always complied with these requirements. But a number of large lobbying organizations refuse to register under a little-known loophole requiring compliance of only those organizations whose "principle purpose" is to influence legislation. The AFL-CIO has long urged that this loophole be closed so that the public might know what organizations are influencing legislation.

In the 94th Congress legislation was introduced to drastically revise the registration and record-keeping requirements. During Senate hearings, the AFL-CIO reiterated support for closing existing loopholes in the lobbying law, as well as extending the present statute to cover so-called "grassroots" lobbying, the stimulation of spontaneous public opinion, and lobbying carried on by Executive departments and federal regulatory agencies. However, the AFL-CIO strongly criticized provisions which would require endless and unnecessary record-keeping and would not increase public knowledge of lobbyists activities. Serious constitutional questions were also raised.

Foreign Affairs

U.S.-Soviet Detente

The AFL-CIO has consistently and vigorously supported U.S. efforts to achieve genuine detente, eliminating the sources of international tensions, and thus insuring a lasting peace with freedom for all peoples throughout the world. However, the so-called "detente" with the USSR practiced by the Nixon and Ford Administrations has resulted in significant economic, political and military concessions made to the Communist powers with few advantages realized by the West.

In this regard, the AFL-CIO has vigorously opposed efforts, backed by U.S. corporate interests, to grant most-favored-nation (MFN) treatment, large long-term credits, technological know-how and other economic benefits to the Soviet Union unless certain political concessions are realized by the U.S. These include: the right of self-determination to the satellite nations and the German people; removal of the Berlin Wall; annullment of the Brezhnev doctrine; open communications across Russian borders without interference in Western radio broadcasts; and free emigration from the Soviet Union (See Jobs and the Economy—Foreign Trade).

During 1974 Senate Foreign Relations Committee hearings on U.S.-Soviet relations, President Meany restated the AFL-CIO's reservation regarding detente. Meany labelled the policy a "one-way street" in which the Soviet Union maintains its anti-U.S. political objectives while acquiring from the West "the technology it needs to help overcome the disastrous economic consequences of totalitarian planning." He criticized a $169 million U.S. Export-Import Bank trade credit loan to the Soviet Union at 6 percent interest, at a time of worsening U.S. economic conditions brought on in large part by high interest rates and restrictive monetary policies. Warning that the "delusion of detente" is "the greatest threat to peace today," Meany advocated a relationship with the Soviet Union based on "a kind of good faith collective bargaining between adversaries . . . building lasting structures of peace." (See Foreign Trade: Export-Import Bank.)

Romanian Trade Agreement

During Senate Finance Committee hearings on legislation extending "most-favored-nation" treatment to Romania, the AFL-CIO strongly opposed this treaty as causing continuing job losses at a time of already perilously high unemployment. Labor spokesmen pointed to 12 product areas where Romanian exports had already hurt U.S. employment and condemned the Administration's support of this treaty at a time when the International Trade Commission was determining a case involving the "dumping" of Romanian-made footwear products on the U.S.

market at less than fair value price. In urging the Senate to reject the treaty, the AFL-CIO stated flatly that the pending Romanian trade agreement makes trade "a one-way street into the U.S. at the expense of U.S. jobs, production and revenue for the benefit of multinational firms and a Communist country with state controlled labor."

The treaty, however, passed.

Defense Spending

From the first AFL-CIO Constitutional Convention in 1955, organized labor has strongly endorsed adequate U.S. military strength as vital to world peace. In supporting ongoing U.S. diplomatic efforts at the Strategic Arms Limitation Talks (SALT) and the Mutual and Balanced Force Reduction (MBFR) conferences aimed at mutual arms and troop reductions, the AFL-CIO has advocated maintaining sufficient weapons systems and U.S.-European troop strength in order to offset any Soviet advantage in either area. Concerning the U.S. military presence in Europe, the AFL-CIO has backed government efforts to insure that European allies assume their share of North Atlantic Treaty Organization (NATO) commitments and responsibilities.

During 1973 Senate consideration of the fiscal 1974 military authorization bill, the federation opposed efforts to halve the $1.5 billion authorization for the Trident nuclear submarine program and reduce by 40 percent U.S. overseas troops. By 47-49, the Senate rejected the Trident amendment offered by Sen. Thomas McIntyre (D-N.H.) and the troop reduction sponsored by Sen. Mike Mansfield (D-Mont.) An amendment by Sens. Robert Byrd (D-W.Va.) and Hubert Humphrey (D-Minn.) reducing U.S. troops overseas by 110,000 men was approved 48-36.

In the conference report on the $21.2 billion military research and development bill, a compromise on the troop-cut provision was approved, calling for a reduction of U.S. forces assigned to any NATO country which did not contribute to the costs of maintaining U.S. troops in their country. On November 5, the Congress completed action on the legislation signed by the President as PL 93-155.

During House debate on the fiscal 1976, $26.5 billion defense authorization, a number of attempts to substantially slash individual defense project spending were rejected. An amendment by Rep. Ron Dellums (D-Calif.) to withdraw 70,000 troops from overseas posts by 1976 was overwhelmingly defeated. By a 183-216 margin a proposal by Rep. Les Aspin (D-Wis.) to cut $1.89 billion from the authorization bill reported by the House Arms Services Committee was rejected. The House then approved the bill by an overwhelming vote.

In the Senate, similar attempts to gut a $25 billion defense bill were rejected. An amendment by Sen. Mike Gravel (D-Alaska) cutting overseas troops from 511,000 to 200,000 was

rejected by voice vote. His amendment to eliminate $70 million of fiscal '76 funds for the development of the missile defense anti-ballistic missile (ABM) system was defeated, 39-54. An effort by Sen. Stuart Symington (D-Mo.) to cut $1.2 billion from the authorization bill was also defeated 36-59. Following this, the Senate approved the $25 billion bill 77-6. At the present time, House and Senate conferees are deliberating on a compromise version.

Foreign Aid to Haiti

Organized labor has long played a vital role in the formulation of U.S. foreign aid programs designed to aid underdeveloped nations achieve a higher standard of living through economic development and, thus, hopefully encouraging the evolution of democratic institutions such as trade unions.

Concern for these foreign aid goals prompted AFL-CIO opposition in 1974 to a foreign aid appropriation of $8-9 million to Haiti. In Senate hearings, the AFL-CIO characterized President "for life" Duvalier's regime in Haiti as an "oppressive dictatorship," pointing to arrest by secret police, suppression of the press and oppression of the trade union movement. Concern was also expressed that U.S. foreign aid dollars were helping U.S.-based multinational companies exploit the low-wage workforce in Haiti. Despite this, Haiti received the funds.

Immigration—Illegal Aliens

The Immigration and Naturalization Service estimates there are between six to seven million illegal aliens in the U.S., narrowing employment opportunities for American workers and undermining working and living conditions. In some instances these workers are used as strikebreakers, thus weakening the collective bargaining rights of union workers. Illegal aliens also create problems for many communities as needy claimants for social services.

The House in 1973 passed AFL-CIO-backed legislation, sponsored by Rep. Peter Rodino (D-N.J.), providing criminal penalties for employers who knowingly hire illegal aliens. The measure died in the Senate Judiciary Subcommittee on Immigration and Naturalization, primarily due to the opposition of Subcommittee Chairman James Eastland (D-Miss.), who sought a new "bracero" program, strongly opposed by the AFL-CIO, allowing employers to use alien workers when the Department of Labor was unable to provide, within a specific time period, American workers "able, qualified, and willing" to do the work. A similar program was abolished in 1962.

Rep. Rodino reintroduced the illegal alien legislation in 1975. During hearings, the AFL-CIO recommended several improvements, including: substantial strengthening of employer penal-

ties for hiring illegal aliens; federal court jurisdiction to enjoin continued violations; placing responsibility for compliance on employers by eliminating the requirement that an employer "knowingly" violate the law; and eliminating the defense that the employer had obtained a signed statement from the employee that he or she is a citizen or legal resident or otherwise legally permitted to work in the U.S.

While House hearings have been completed, no further action has been taken on this measure.

Western Hemisphere Immigration

Another immigration bill passed by the House in 1973 was designed to bring Western Hemisphere immigration under a preferential quota system, similar to that applicable to immigration from the rest of the world. Opposed by the AFL-CIO, it died in the Senate Immigration Subcommittee. The bill contained provisions allowing temporary aliens to hold permanent jobs. Under present law, these aliens can only be employed in temporary jobs.

Rhodesian Chrome Embargo

In late 1966 the UN voted to impose an embargo on Rhodesian chrome. Until 1971 the U.S. abided by the embargo against Rhodesia's white supremacist government. However, in 1971, Congress passed an amendment to a defense bill offered by Sen. Harry F. Byrd (Ind.-Va.) prohibiting the President from adhering to a trading ban involving strategic materials from a free-world nation when the U.S. was importing the same materials from a communist nation. Before the embargo chromium ore had been imported from Rhodesia, but under the embargo it was being purchased in increasing amounts from the USSR. The Byrd amendment forced the U.S. to bypass the embargo against Rhodesia. Since the U.S. is a member of the UN Security Council, this embargo violation seriously damaged the credibility and prestige of the U.S. within the UN, particularly among African member nations.

As a result, the Senate in 1973 overcame a filibuster by Sen. Byrd and passed legislation effectively repealing the amendment. The AFL-CIO urged reimposition of the embargo, stating: "The United States has a firm obligation to abide by the UN sanction which it voted to impose on the importation of Rhodesian chrome."

However, while the House Foreign Affairs Committee overwhelmingly approved the Senate-passed bill, the House failed to take action before the end of the 93rd Congress.

Reintroduced in the 94th Congress, hearings have been completed and the repeal is pending before the House International Relations Committee.

Radio Free Europe–Radio Liberty

Stating that open communication of information and ideas are essential to world peace, AFL-CIO President George Meany renewed labor's support in 1973 for continued funding of Radio Free Europe and Radio Liberty.

In late July 1973, the Senate Foreign Relations Committee, over the continuing opposition of then Chairman J. William Fulbright (D-Ark.), reported a one-year $50.2 million authorization for the two stations through fiscal 1974. Implementing a recommendation of a 1972 presidential review commission, a seven-member Board for International Broadcasting was established to allocate funds and oversee operations of the stations. On Sept. 6, the Senate overwhelmingly passed the funding measure after rejecting efforts by Fulbright to both recommit the bill and slash the funding by 50%.

On October 2, the House easily passed the Senate bill without amendments. The President signed it on Oct. 19 as PL 93-129.

In a related action, House and Senate conferees, in completing action on fiscal 1974 State, Justice and Commerce Departments appropriations, allocated $45 million for the two radio stations in 1974. No major funding fight arose in 1974 as Congress allocated $49.8 million for 1975 operations.

Nomination of Charles Robinson

In late 1974, the AFL-CIO opposed the nomination of Charles W. Robinson to be Undersecretary of State for Economic Affairs.

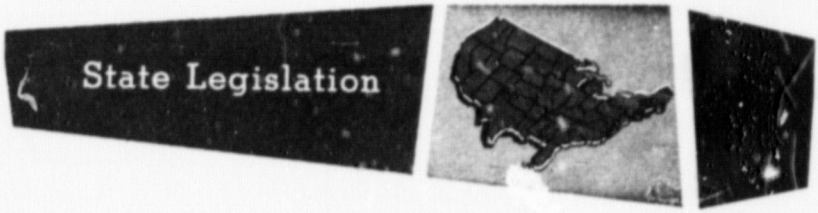
Robinson was president of the Marcona Corporation, a multinational company termed "a lurid example" of multinational operations. Robinson's impartiality was questioned by labor, since he headed an international corporation which "paid taxes virtually everywhere but the United States." The AFL-CIO expressed doubt Robinson could "shed his background and address himself impartially to the problems of the United States in today's world."

The Committee, however, approved the nomination on December 2 and the Senate confirmed him one week later.

Vietnamese Refugee Aid

Nearly 130,000 Vietnamese refugees fled their country after the Communist takeover. In order to aid resettlement of these refugees, the AFL-CIO strongly supported $455 million in resettlement assistance.

In late May, Congress concluded action on this, appropriating $405 million.



State Legislation

Legislative activities at state levels continue to expand in both volume and content. During this past two years, state labor councils reported substantial gains in enactment of laws benefitting workers and their families.

High on the list of priorities of state bodes was legislation aimed at easing the plight of the steadily increasing number of unemployed persons. Improvement in unemployment benefits levels, as well as extension of coverage, were major objectives in all states.

Minimum wage boosts in several states indicated a trend toward gradually matching federal minimum wage levels.

Workers' compensation improvements were obtained by practically every state body in the past two years. In 1974, approximately 150 amendments to workers' compensation laws were adopted by the various legislatures, and by the close of 1975 an equal number of amendments are anticipated.

Efforts continued to add to the list of states that have ratified the Equal Rights Amendment. In 1974, Montana, Maine and Ohio approved ERA; during the 1975 sessions, North Dakota joined the list. Serious efforts to obtain ratification were made in Florida, North Carolina, Virginia, Utah, Nevada, Oklahoma, Indiana, Georgia, Illinois and Missouri.

Substandard OSHA legislation at the state level remains a problem, but the trend appears to be shifting toward wider acceptance of the federal OSHA plan. New Jersey, New York, Wisconsin, Colorado and Illinois shelved state plans in 1974-75 in favor of the federal plan.

"Right-to-Work" Legislation

So-called "right-to-work" legislation remained a threat during the past two years but efforts of open-shop proponents were defeated in all instances. Meeting in special constitutional con-

vention session in 1974, the Texas Legislature failed to approve a proposed new constitution because of attempted inclusion of several controversial sections including a "right-to-work" section. The Kansas legislature rejected a 1975 proposal that would have imposed heavy penalties on individuals convicted of violating the so-called "right-to-work" section of the state's constitution. "Right-to-work" advocates were active in New England with unsuccessful attempts to pass the open-shop law in New Hampshire and Massachusetts. Louisiana continues to draw the attention of the union-wreckers, but their recent effort to pass the open-shop law proved unsuccessful.

Several states, including Utah, Wyoming, Nevada, North Carolina, South Carolina and Georgia continue in their efforts to repeal or weaken existing compulsory open-shop laws. The Wyoming Senate passed a RTW repeal bill by a 16 to 14 margin in 1975, but the effort died in the lower house, where a few conservative Democrats joined the majority of Republican legislators to kill the repeal bill.

Largely as a result of Watergate scandals, a number of states enacted laws regulating campaign practices. New laws, or amendments to existing campaign practices laws, are labeled "campaign reform." Many, if not most, of these laws are overly restrictive or discriminate against unions. In practically every state, hard lobbying was needed to head off proposals that would have curtailed organized labor's right to participate in political activities.

Public financing of political campaigns will begin in seven or eight states as a result of new laws enacted in the past two years. These laws follow the general provisions of the federal law in providing check-off contributions on state income tax returns.

A number of state central bodies report continuing efforts to enact the so-called ban-the-can or ban-the-bottle bills. Efforts to defeat such legislation continues, because of its adverse affect on employment.

Four states, Georgia, Kentucky, Minnesota and Pennsylvania, passed effective no-fault auto insurance plans in 1974. North Dakota enacted an effective no-fault insurance law in 1975. This brings the total number of states with effective no-fault auto insurance laws to 16. The Michigan, New York, New Jersey and Pennsylvania no-fault laws are considered to be superior.

State central bodies in Minnesota, Kentucky, Texas, Maryland and New Jersey were successful in enacting postcard registration laws prior to the 1974 elections. In all cases, the state bodies reported increases in voter registration rolls, a complete absence of fraud and anticipated savings in the over-all costs to the states for registering potential voters. Ohio, Montana and Utah enacted postcard registration laws in 1975. In addition, Michigan enacted a law that permits registration when a person obtains or renews a driver's license. At least six additional states anticipate enactment of some form of postcard registration in late 1975.

Public Employee Bargaining

Legislation concerning public employees collective bargaining rights has become one of the major areas of activity in the states in recent years.

During the 1974-75 period practically every state body was involved in efforts to obtain comprehensive collective bargaining laws for public employees, or improve existing laws usually through extending coverage to additional groups.

In at least 33 states the right of public employees to organize has been sanctioned by statute, court decisions, attorney general opinions or Executive Order—but not without stiff opposition from conservative groups whose efforts, in some other states, have proven effective. Several state legislatures have granted recognition or collective bargaining rights to only one or more groups of public employees while denying the same rights to other groups. In Utah, for example, a new law covers only firefighters.

A continuing problem in this area of legislation is the prohibition of union shop contracts. At least 14 comprehensive laws giving public employees the right to organize contain such infringements. The National Right-to-Work Committee is active in efforts to oppose union security language in public employee laws. It has recently been joined by a new group with the misleading name of "Americans Against Union Control of Government." The "AAUCG" has embarked on an extensive direct mail campaign to solicit funds for the purpose of opposing state legislation in this area, flooding the country with letters signed by Sen. Jesse Helms of North Carolina seeking financial contributions.

In spite of the many obstacles state bodies have faced in their attempts to advance public employee collective bargaining laws, significant progress has been made since the last convention.

At least five states have enacted major laws in 1974-75 concerning public employees rights to organize and bargain collectively: Iowa, Maine, Florida, Montana and Indiana.

In addition, twelve states have improved their existing laws in the last two years by improving procedures or extending coverage to additional groups of employees.

Farm Workers

A new collective bargaining law will give California's farm workers the right to pick the union they want to represent them, starting in September 1975. They will make their choice in state-supervised collective bargaining elections, to be held within seven days after workers on a farm have petitioned for union representation.

If the bill works as its sponsors anticipate, workers on each farm will decide which union, if any, will bargain for them through a procedure that is similar but not identical to federal law.

Existing contracts, most of them held by the Teamsters, will not be bars to a representation election although they will remain in effect pending a change in union.

Election petitions will be considered only during high-season employment, when the workforce is at least half of the farm's peak employment during the year. The effective date of the law will correspond with high levels of employment in both the lettuce and grape fields—the key areas of competition between the Farm Workers and the Teamsters.

A union can obtain an election by petition of 50 percent of the workforce and a rival union can get a place on the ballot with a 20 percent showing.

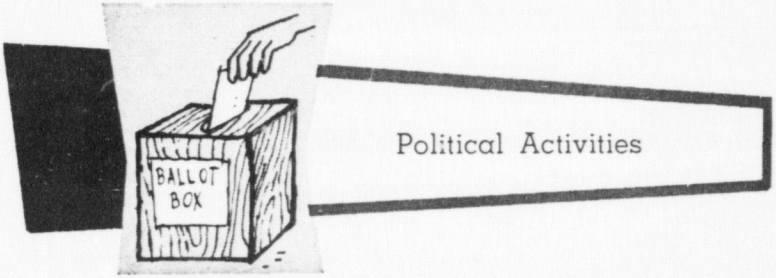
Strikes for representation without an election are prohibited and the seven-day time limit between petition and election is intended to preclude delaying tactics that are common under the federal National Labor Relations Act.

An impartial five-member Agricultural Labor Relations Board, whose members are appointed by the governor, will supervise the elections and hear complaints of unfair labor practices.

Once a union is certified, it is free to strike at any time—including the harvest period. For years, farm employer groups had sought to prohibit harvest period strikes in exchange for any form of collective bargaining.

Unfair labor practices under the California law generally follow the precedents of federal labor law. Its secondary boycott provision, however, restricts only actions that prevent struck goods from reaching the market place. But consumer boycott campaigns, such as the continuing UFW boycott of head lettuce and table grapes, are permitted.

Although the new law took effect August 29, 1975, it may be some time before a clear picture emerges as to the degree of unionization of California's 250,000 farm workers. Few workers outside of the lettuce fields are now represented by any union, and continuing mechanization has been reducing the hand labor required in agriculture.



Political Activities

Labor's political programs in 1974 were more effective than any previous election effort.

This high level of effectiveness contributed tremendously to a major shift in Congress toward the progressive, pro-worker position on issues and correspondingly away from the reactionary economic and social policies of the Nixon years.

Obviously, circumstances played a major role in the 1974 results—widespread citizen disgust over Watergate, deep anxiety over jobs, inflation and the health of the economy.

But the fact is, never before did the COPE operation work so effectively among our own members and voting-age-members of their families in every phase of the program—funding, special manpower, volunteers, registration and get-out-the-vote, communications, materials and the involvement of Executive Council members and allied organizations.

These many components of victory helped produce a COPE record of 70 percent success in election of its endorsed candidates for U.S. House, U.S. Senate and governor. In the House, 270 of 389 endorsed candidates won; in the Senate 25 of 33; in gubernatorial races 26 of 33.

The success rate in marginal districts was lower, as expected. But even here, a large majority of endorsees were elected, particularly in the House. In the process, dozens of conservatives and ultraconservatives who had held their seats for many years were defeated. In Indiana alone, five new representatives—all COPE-endorsed—were elected, replacing congressmen who had a cumulative COPE voting record of 40 "right" and 292 "wrong" votes.

The impact of COPE's over-all effort goes far beyond the vote tallies, since many other factors were involved last November. One important example is that COPE was able — through its register-and-vote programs—to reach union members and voting-

age-members of their families and produce a comparatively good voting performance among union members.

Though only 38 percent of eligible voters turned out nationally, among our own membership and their families the voter turnout exceeded 50 percent, and in many areas went far above that. In New Jersey's 2nd District, for example, where conservative Rep. Charles Sandman was defeated, 60 percent of eligible union members and voting-age-members of their families voted on election day.

This pattern was present in many of the key districts and states where major House gains were made, or friendly seats held, including the Indiana 2nd and 8th Districts, Colorado 2nd, Connecticut 2nd, Oregon's 1st and 4th, Utah's 1st and 2nd. Even in a couple of losing causes—the Maine 1st and Arkansas 3rd—a high percentage of union members voted. In Arizona, where a friendly governor was narrowly elected, the turnout of union members in five key Phoenix precincts ranged from 70 to 84 percent.

This aspect of 1974, perhaps more than any other, demonstrates the increasing growth and effectiveness of COPE organization. It shows that in a year in which many voters were turned off, the labor movement was able to reach and motivate a respectable percentage of its members. While 50 percent is not satisfactory, in the context of 1974 it is an achievement of no little note, and indicates that in a healthier political climate substantially higher percentages than that—or than in any previous year—can be achieved.

Labor's Role in the 1974 Elections

For the labor movement, the 1974 campaign began soon after the 1972 campaign ended. Marginal or potentially-marginal U.S. House and Senate seats were quickly identified and recognized as the areas in which major gains, or losses, would occur in 1974. Hence, concentration on these districts began early, and it was these, indeed, that provided the large gains in progressive candidates elected November 5.

While substantial attention was of course paid to other congressional and senatorial contests, the focus on marginal races dictated more emphasis on recruitment of volunteers, assignment of full-time staff, special attention to registration and get-out-the-vote programs, improved precinct organization and extra efforts to generate informational materials for distribution to members.

In these districts, too, the efforts of the A. Philip Randolph Institute and the COPE minorities department, Frontlash, the Labor Council for Latin-American Advancement and senior citizens were concentrated where appropriate.

In addition, the special program under which members of the Executive Council assumed responsibility for guidance and assistance to COPE's programs in various states was centered on marginal House and Senate contests.

Sixteen members of the council participated in assigned key states, working with state and local councils and helping to coordinate their COPE efforts. The 16 were Vice Presidents Abel, Bommarito, Dennis, Finley, Grospiron, Guinan, Hall, Hardy, Housewright, Keenan, Lyons, Raftery, Sidell, Shanker, Stetin and Ward.

COPE funding in 1974 reached an all-time high, totalling more than $3.3 million for all programs, including direct contributions, and far exceeding the $2.7 million total in 1972.

Contributing significantly to the growth in effectiveness of overall COPE activities was further development of the computer program and the related critical path method, which charts an accurate schedule of all the activities and responsibilities associated with political action and education. As of the 1974 election period, there were 36 states in the COPE computer program, representing nearly 11 million membership records, compared with the 1972 figures of 23 states and 7.7 million records.

In 1974, the computer produced for COPE more than 30 million print-outs in the form of mailing labels, listings and 3-by-5 cards and performed sortings of local union listings of non-registered members, telephone bank listings, precinct street lists for election day and labels for specific marginal district elections.

The readiness of material through the computer, plus the added sophistication of the critical path method, made possible the relatively strong union-member registration and voting performance as contrasted with the apathy of the general voting citizenry.

More than 110,000 volunteers contributed millions of hours to COPE programs at the community level during register-and-vote campaigns, staffing telephone banks, polling, canvassing, checking registration, distributing materials and getting out the vote—mostly under the aegis of the COPE Women's Activities Department.

Approximately 20,000 phones were installed specifically for phone bank use in COPE-WAD workshops, and some 10,000 more were made available in union offices and homes.

COPE programs in association with several coalition allies achieved considerable impact among specific population groupings. The COPE minorities department and A. Philip Randolph Institute helped produce relatively high voter turnout in black communities within many marginal districts, as did the newly-formed Labor Council for Latin-American Advancement in Latino communities. Frontlash carried out its most far-reaching election year program, concentrating on registration and get-out-the-vote in union and central city areas in 65 marginal districts. In addition, Concerned Seniors for Better Government functioned effectively in marginal House and Senate contests in 23 states, including 16 Senate and 50 House races.

The 1976 Elections

Apart from the 1976 presidential contest, the challenge for labor's political programs in 1976 is already clearly defined: To retain the scores of seats won in 1974 by friendly new Representatives elected from traditionally conservative districts.

Virtually every newcomer will be vulnerable in 1976 because many of the elements that converged to help make their election possible in 1974 will be missing, principally the voter turn-off that resulted from Watergate. Millions of conservatives, who declined to vote in 1974 out of disgust, can be expected to resume their normal voting patterns.

This must be met by continued improvement in the impact and effectiveness of COPE's program. Registration, education and get-out-the-vote efforts must be substantially expanded if the tenuous hold on the many marginal seats is to be made more secure. Those friendly representatives elected from marginal districts in 1974 can be the difference in the congressional outcome on legislation to restore health to the economy and other issues of importance to working people and their families.

Council Recommendation

The successes in 1974 elections created the problems for 1976. Chief among them is the need to retain the many congressional districts that switched from conservative to progressive in the last election. The continuing development of COPE programs and their growing acceptance and support within the trade union family are encouraging signs that labor's political activities will be able to meet this challenge.

However, to assure full labor movement support of COPE and its goals and to enhance the prospects of its endorsed candidates in 1976, we recommend:

1. Total commitment at all levels of the labor movement to achieve victory at the polls in 1976.

2. Establishment of a COPE committee in every affiliated local union to do its utmost to assure political participation by every union member and voting-age member of his or her family. Our minimum goal should be to get every union member and every voting-age member of his or her family to register, vote and contribute $2 to COPE.

3. Increased efforts at all levels to communicate the issues and candidates' records with our members on a continuing basis.

Federal Campaign Reform

Federal Election Campaign Act amendments of 1974 left intact labor's political rights.

Unions remain free: (1) to use treasury funds to communicate with their members and their families on any subject, including

political issues and candidates; (2) to use treasury funds in nonpartisan registration and get-out-the-vote campaigns and may contribute to other organizations involved in such activities; (3) to contribute treasury money and manpower to national COPE, or to a state or local central body COPE to be used to communicate with (or register etc.) AFL-CIO members and their families on either a national, state or local basis; (4) to use treasury funds to solicit voluntary contributions for a political fund and for establishment and administration of such a fund; (5) to use treasury funds to pay union personnel doing political work as long as they work under union direction and control and are engaged in political activity aimed at union members and their families. If union personnel are assigned or lent to a candidate or his campaign committee, or if they engage in political activities aimed at the general public, they must be paid from the voluntary dollar political fund.

The basic limitations on use of treasury money remain: Treasury money derived from dues, agency shop fees etc. **may not** be used for contributions to, or expenditures for, a candidate for federal office, either directly or indirectly. Treasury money **cannot** be the source of a donation to a candidate, nor can it be used to pay his bills, nor may goods and services paid for by treasury money be given to a candidate.

Treasury money also may not be used for union communications aimed at the general public, such as newspaper, radio or TV ads. For these purposes, voluntary dollars must be employed.

Beyond its application to unions, the new labor-supported law strictly limits the amount that can be spent by candidates for federal office and the amounts that can be contributed to their campaigns by individuals, organizations or political committees. It also establishes a bipartisan, fulltime Federal Election Commission to enforce the law. Thomas E. Harris, former associate general counsel of the AFL-CIO, is a member of the Commission.

The law provides full public financing of presidential campaigns and partial matching public funds for presidential primaries. Each candidate for President is limited to campaign expenditures of $20 million in the general election, available from public funds created by the $1 checkoff on income tax returns. Qualified third-party candidates will be eligible for partial coverage of expenditures.

State Campaign Reform

The past two years has brought an extraordinary volume of campaign practice legislation in the 50 states. These efforts to reform prevailing campaign practices at the state level have been prompted by a variety of reasons, including the disclosures of the campaign financing practices of the Nixon Administration.

No less than 38 states have enacted new campaign reform

laws or amended existing laws. These states have taken action in one or more of the following ways:

1. Reporting requirements by candidates and political committees of contributions and expenditures.
2. Limits on the amounts of contributions and expenditures.
3. Establishment of commissions to implement and enforce the new or amended laws.
4. Restrictions on the sources of campaign contributions.
5. Public financing of state elections.

In all instances, state labor councils have supported legitimate campaign reform proposals; however, punitive legislation that attempted to unjustly restrict or destroy organized labor's role in the political process was opposed.

State labor councils were firm in their opposition to so-called campaign reform legislation that contained the following provisions:

- Burdensome and excessive reporting procedures for political committees.
- Prohibitions of contributions to political candidates from labor organizations.
- All restrictions on the rights of labor organizations to communicate with their members on any subject, including political endorsements and get-out-the vote activities.
- Severe limitations on the pooling of small contributions from local unions and individual members of organized labor.

It is unfortunate that several states enacted so-called campaign reform legislation that will make political participation by labor organizations difficult.

The states of Arizona, Missouri, North Carolina, Texas and Wyoming enacted laws in the past two years that prohibit unions from using treasury funds to contribute to political candidates. Similar restrictions were also enacted in Connecticut and Massachusetts, but have since been repealed. In addition, limits on the amounts that a political committee could legally contribute to a candidate or a group of candidates were established in several states. These limits frequently do not give proper consideration to the practice of pooling small individual contributions as practiced by labor organizations.

A few states, such as Iowa, Maryland, Maine, Minnesota, Montana, New Jersey and Rhode Island, have enacted various plans for partial public support of candidates for state offices. Most of the plans are modeled after the federal income tax dollar checkoff. Other states will undoubtedly give serious consideration to some form of public financing of state election campaigns.

The most restrictive and punitive of all so-called campaign reform laws was enacted by referendum in California in the fall of 1974 (Proposition 9).

The California law contains a ban on political contributions from lobbyists. The ban appears to prohibit the officers and agents of the California Labor Federation or the local central

bodies from participating in COPE activities if they regularly represent their affiliates in the California legislature. Challenges to this unfair restriction are pending.

The AFL-CIO and its subordinate bodies will continue to support and advocate honest and legitimate campaign reform measures at all levels of government and will likewise continue to oppose regressive legislation which seeks to restrict its vital political activities.

Department of Civil Rights

It is increasingly obvious that a healthy national economy is essential to the continued advancement made by minorities and women during the '60s in the struggle to eliminate discrimination in employment and job training. To that end, the Department of Civil Rights is constantly at work.

The department's primary function is to assist the Civil Rights Committee, the Executive Council and affiliates in the implementation of AFL-CIO civil rights principles, policies and programs.

The department maintains liaison with the Equal Employment Opportunity Commission, the Office of Federal Contract Compliance of the U.S. Department of Labor and the Civil Rights Division of the Justice Department. Contact is also maintained with the Bureau of Apprenticeship and Training, the Manpower Administration and the Office of the Solicitor of Labor. Relations are also established with federal agencies responsible for enforcing their own equal employment opportunity programs.

Affiliated unions, and especially their civil rights designees, are encouraged to seek the assistance of the department staff in attempting to implement state and federal civil rights legislation and Executive Orders dealing with civil rights.

The department gives special assistance to affiliated unions in the resolution of EEOC complaints through the conciliation process. Likewise, it urges EEOC to utilize conciliation to a greater degree, making litigation as a last resort.

Special attention is also given to officers of affiliated unions and staff persons responsible for the implementation of the civil rights efforts in their respective organizations. Conferences are held to discuss current developments, problems and remedies in the enforcement of civil rights laws.

The department also works to develop and expand programs of mutual interest with the National Association for the Ad-

vancement of Colored People, the A. Philip Randolph Institute, the Labor Council for Latin American Advancement, the National Urban League and the Leadership Conference on Civil Rights. Close working relations are maintained with COPE in helping civil rights organizations establish voter registration and get-out-the-vote campaigns.

The department works with the Building and Construction Trades Department and its affiliates to continue to bring minorities and women into skilled trades. However, acceleration of these efforts depends primarily on the health of the economy and the amount of construction underway.

Apprenticeship and journeymen outreach programs are the responsible recruitment and prepping vehicles for securing younger minority group workers as apprentices and older minority group workers as journeymen. The department works with the Human Resources Development Institute in its outreach programs, as well as the manpower division of the U.S. Department of Labor, the Building and Construction Trades Department, the Recruitment and Training Program (RTP—A. Philip Randolph Institute Educational Fund/Workers Defense League), the National Urban League's Labor Education Advancement Program (LEAP) and others.

The department staff speaks at union institutes, labor schools, conferences, conventions, seminars and meetings of the A. Philip Randolph Institute, the NAACP, the Urban League, the Labor Council for Latin American Advancement and other organizations involved in the civil rights movement. William E. Pollard is the director. Other members of the staff are E.T. Kehrer and Leonard Lewis, Jr.

Department of Community Services

During the past two years, the Department of Community Services has devoted considerable time and effort in developing a nationwide program to help meet the immediate needs of the unemployed; helping the resettlement and integration of Vietnamese refugees; organizing the National Consumer Center for Legal Services to promote development of prepaid legal service plans through collective bargaining and other methods; establishment of the American Blood Commission to develop an integrated, voluntary, noncommercial blood banking system; promoting energy conservation and reorganization of the ill-timed and ill-fated WIN program; establishment of the labor-management program of the National Council on Alcoholism, funded by the National Institute on Alcohol Abuse and Alcoholism, to develop union-management committees for the prevention and treatment of alcoholism; completion of a study, funded by the Office for Drug Abuse Prevention, on drug abuse in industry, its preven-

tion and treatment; expansion of labor participation programs, in cooperation with the National Council on Crime and Delinquency; combatting conservative business and right-wing campaigns to deny public assistance to needy and otherwise eligible families of striking workers and to destroy the AFL-CIO relationship of long standing with the United Way of America; promoting development of Labor Agencies; helping AFL-CIO affiliates and other labor organizations develop strike assistance and disaster service programs, which included a special holiday fund and community caravan collection of food, clothing and toys for the Farah strikers.

But these activities are only an extension of the department's basic function which is the involvement of AFL-CIO affiliates and members in the development of community-wide programs to help meet health and welfare needs not covered by the union contract, make the community and its institutions more representative of the people and more responsive to the people's needs, and help trade unionists discharge their responsibilities as citizens to the total community.

Helping to implement these objectives is a nationwide network of AFL-CIO Community Services liaison representatives. Working through national and local voluntary health and welfare agencies, their day-to-day activities constitute the human contract for many affiliates, members and other citizens. There are now 200 full-time CSA liaison representatives in 154 communities. In addition, there are 31 CSA liaison representatives with eight national agencies. This number does not include community services representatives paid directly by affiliates.

To keep this staff in tune with developing needs and programs as well as new methods and techniques, the department has sponsored many workshops, seminars and conferences, including six regional training seminars.

Last year the department conducted its 17th national conference on community services in Washington on consumer problems, child care, legal services, the aged and the role of the volunteer in a democratic society. In addition, the department sponsored specialized conferences on drug abuse, unemployment relief, the criminal justice system and disaster services.

Publications resulting from these meetings and other materials have been used by unions, governmental bodies, social agencies and educational institutions. Staff members have appeared on TV and radio, and a number of articles on Community Services activities have appeared in the press, professional and trade magazines and union publications.

The AFL-CIO presented its 1974 Philip Murray-William Green Community Services Award to Sen. Hubert H. Humphrey.

Leo Perlis is director of the department. The staff consists of Assistant Director John J. McManus, Ray Andrus and Alan Bosch. Margaret Sims served as this year's intern.

Department of Education

The Education Department has focused on labor and public education issues and programs over the past two years, along with special projects and support services. In reviewing its work during the period, staff time was involved in the preparation of legislative and leadership training manuals for various international unions, state and local central bodies. More than 3,000 were distributed to these groups in 1974 alone.

The department sponsored or co-sponsored several education conferences during the year, including the annual labor education conference in March 1975 and the Middle East conference in May 1975. The latter conference was held in cooperation with Georgetown University's International Labor Program.

The department also co-sponsored several one-week institutes with individual state AFL-CIO councils or regional groupings of state organizations. In this connection, the Southern Labor School, representing 11 southern and border states, conducted its leadership training school in Gulfport, Miss., in November 1974, with key state officers, district directors of international unions and officers of local central bodies from participating states in attendance. The department staff also participated in the planning and development of several symposiums on a variety of trade union subjects and issues. The California Labor Council's two-day conference on negotiating techniques in 1974 is a prime example of this activity.

On the public education side, the department developed and carried out a plan of research activity in preparation for appearances before legislative committees on education in Congress. Testimony by department representatives was presented to the House Subcommittee on Post-Secondary Education on the Student Assistance Bill of 1975 and to the House Subcommittee on Elementary, Secondary & Vocational Education on vocational education bills pending before this Congress.

The film division continued its program of film distribution services to unions, public schools and other institutions during the period. Staff is currently reviewing the relevance of new education hardware, such as cassettes, overhead projector — transparency presentations, for the purpose of improving the adult learning process within the labor movement.

The department spearheads a clearinghouse function on educational materials for education directors of AFL-CIO affiliates, state and local central bodies and university labor education centers.

In the special project field, the department has the responsibility of coordinating labor's bicentennial activity for the 1975-76 labor bicentennial year. It administers the AFL-CIO intern program now in its fifth year. It operates the AFL-CIO Speakers Bureau, disseminating updated materials quarterly to bureau

members. Beginning in the 1975 fall term, the bureau will be joined by a special COPE speakers group composed of the members of the National COPE Operating Committee who will fill invitation requests for COPE speakers at major colleges and universities.

The AFL-CIO scholarship program, discontinued in 1972, was replaced by a publication of useful information to students and parents seeking ways to finance a college education. This new pamphlet was edited by the department staff and is distributed in response to requests.

The department staff includes: Walter G. Davis, director; John A. Sessions, assistant director; Rudolph Oswald, assistant director, and Stuart Brock, Jacqueline Kienzle, Barrett Seeley and Dorothy Shields, staff representatives.

Department of International Affairs

Since the 1973 convention, the Department of International Affairs has continued its detailed observation and study of the international labor movement and the increasingly complex political, economic and social problems which affect workers and their organizations throughout the world.

The department has prepared statements for consideration by the Executive Council and drafts of addresses and presentations which are made by its members before a variety of audiences at home and abroad.

More than 1,200 trade union leaders and representatives from Free World nations have visited AFL-CIO headquarters and the department since October 1973 for extended discussions. Efforts have been directed to produce a wider exposure of AFL-CIO affiliated unions to these delegations from abroad in order to achieve a greater direct U.S. trade union involvement in international labor affairs.

The department has held quarterly meetings with AFL-CIO affiliated union representatives whose organizations are members of international trade secretariats. These meetings provide the coordination necessary to project AFL-CIO policy among the more than 60 U.S. affiliates of the trade secretariats. The department has encouraged AFL-CIO unions to join the secretariats to strengthen American labor's voice in international labor organizations and forums.

Periodic meetings are held for the labor attaches of foreign governments accredited to the United States for their orientation and professional guidance.

Bilateral contacts and relations with free trade union national centers abroad have been strengthened. The European office of the AFL-CIO, located in Paris, has been augmented and serves to improve the flow of information and more direct participation

of AFL-CIO representatives at meetings and conferences in Europe.

The department has more closely coordinated its guidance and assistance to the international auxiliaries of the AFL-CIO, the American Institute for Free Labor Development, the Asian-American Free Labor Institute and the African-American Labor Center. Scores of U.S. labor participants in the auxiliaries' activities have been briefed and debriefed at the headquarters as have those who have been appointed to represent the AFL-CIO at conferences and meetings related to the activities of the International Labor Organization (ILO), Organization of American States (OAS), the United Nations (UN), Center for Inter-American Relations, Trade Union Advisory Committee of the OECD, the European Community, Central Treaty Organization (CENTO), various military staff and command groups of the United States, Great Britain and France and missions sponsored by the U.S. government and foreign governments.

The department is a primary source for information and speakers to university audiences, labor education programs and conferences of state and local central bodies, the Foreign Service Institute and governmental agencies. Liaison is maintained with the Departments of Labor, State and other agencies of government with labor interests.

Two international affairs seminars have been held by the department in cooperation with the AFL-CIO Labor Studies Center. The department further projected the policies and the pronouncements of the AFL-CIO related to all important issues in its publication of the AFL-CIO Free Trade Union News which has been redesigned. Following a period of adjusting to a new format in the English language, the Free Trade Union News has resumed publication in the French and German languages and added Spanish and Portuguese language editions. The department has published the major international affairs statements of President Meany, such as his definitive comments on the U.S. government's policy of detente.

The staff of the department consists of Irving Brown, Harry Goldberg, Andrew McLellan, Lew Johnson and Rosemary Ruane. Ernest Lee serves as director and Michael Boggs as assistant director.

Department of Legislation

The Department of Legislation has responsibility for seeking appropriate action by Congress on the legislative program of the AFL-CIO as set forth by the biennial constitutional conventions and meetings of the Executive Council. The Executive Council serves as the Committee on Legislation.

Director of the department is Andrew J. Biemiller. The assistant director is Kenneth Young. The staff includes five legislative

representatives: Raymond Denison, F. Howard McGuigan, Kenneth Meiklejohn, Kenneth Peterson and Robert McGlotten, Michael Gildea is an assistant to the director. Clinton Fair, an AFL-CIO staff member for 12 years, retired in December 1974.

An administrative committee appointed by President Meany meets weekly to discuss legislative issues and strategy. This committee includes more than 30 legislative representatives of affiliated unions and constitutional departments, in addition to AFL-CIO legislative representatives. The committee serves as a forum for exchanging information and coordinating activities on national legislation. Special subcommittees, appointed by Biemiller, give particular attention to specialized legislative issues, such as labor relations, Social Security, consumer protection, election laws, trade and taxes.

The department informs Congress of the AFL-CIO position on specific legislation through a number of forums: Testimony before congressional committees, personal contact with the members of Congress and their staff, and communication by letters and telegrams. Other departments cooperate with the Department of Legislation in preparing testimony and other written policy positions for presentation to appropriate committees and members of Congress.

In the past two years, the department was concerned with more than 120 separate legislative issues. During this time, the director and the legislative representatives made more than 100 formal appearances before congressional committees, as well as countless informal personal contacts with the individual members of Congress to explain AFL-CIO policies.

Rank-and-file support for legislation endorsed by organized labor is often vital to securing favorable action on it, hence the department is in constant communication with the leadership of affiliated unions and state and local central bodies concerning important legislation. The department utilizes widespread mailings, distribution of legislative fact sheets and other legislative information, as well as direct telephone communications with affiliates.

The department prepares and distributes a wide variety of materials on national legislation. At the end of each session of Congress, the department prepares a booklet summarizing and evaluating major actions taken by that Congress. More than 60,000 copies each of the booklets "Labor Looks at Congress 1973" and the two-year compilation "Labor Looks at the 93rd Congress," were distributed to AFL-CIO affiliates, opinion-makers, university political science departments and other interested groups and individual researchers.

The department maintains a complete and up-to-date file on all congressional bills, resolutions, committee reports and public laws enacted, as well as the voting records and other relevant

information on the individual members of Congress. This resource material and other pertinent publications obtained by the department on a subscription basis enable the legislative representatives to perform more effectively in their day-to-day consultations with individual members and the committees of Congress.

The director and members of the staff have assisted and participated in legislative institutes and conferences for affiliates, planning visits for officers and members of affiliates coming to Washington, as well as meeting with numerous foreign labor officials and delegations, interested groups and students on the high school, college and graduate levels who have a particular interest in the legislative activities of organized labor. In addition, the director has addressed various state AFL-CIO conventions and local central body councils and, along with staff representatives, participated in various television and radio programs, including Labor News Conference

Department of Organization and Field Services

Implementing the Executive Council program for restructuring AFL-CIO field operations, the Department of Organization and Field Services was reorganized in the following manner:

Alan Kistler was appointed director; Donald Slaiman, deputy director; William E. Roehl and Frank Emig, assistant directors; Wilbert Williams, headquarters staff representative.

Eight regional directors were appointed:

Daniel J. Healy, Region I (Illinois, Iowa, Indiana, Michigan, Wisconsin, Minnesota).

Woodrow Pendergrass, Region II (Oklahoma, Arkansas, Missouri, Kansas, Nebraska, North Dakota, South Dakota, Montana, Wyoming).

Walter Waddy, Region III (Maryland, Pennsylvania, Ohio, West Virginia, Kentucky, Virginia, Delaware, District of Columbia).

Nicholas Kurko, Region IV (Texas, Colorado, Louisiana, New Mexico).

James Sala, Region V (Georgia, Alabama, Florida, Mississippi, Tennessee, South Carolina, North Carolina).

William Gilbert, Region VI (California, Arizona, Nevada, Utah, Washington, Idaho, Oregon, Alaska, Hawaii).

Michael Mann, Region VII (New York, New Jersey, Puerto Rico).

Franklin Murphy: Region VIII (Massachusetts, Connecticut, Rhode Island, Vermont, New Hampshire, Maine).

A number of personnel changes occurred as a result of deaths and retirements. Among the retirees were the following regional directors: John F. Schreier, Carl Winn, F. J. "Pat" McCartney, Agustin Benitez, Jesse Gallagher, Delmond Garst, Daniel V. Flanagan; and assistant regional directors Charles Hasenmeyer and Robert Starnes. The following field representatives also retired since the last convention report: John McGivern, Gregory Wallig, Robert Probey, I. R. Gray, Joseph Mullins, George O'Hara and Gene DeChristofaro.

The department was saddened by the deaths of Regional Director Paul R. Christopher and Field Representatives William E. Lewis and Fred J. Wingard.

The staff intern program, now in its ninth year, brings field representatives into the department's headquarters on temporary assignment to familiarize them with national programs. The most recent participants were Reuben Diaz, Charles Heady, L. D. Porter and Robert Graham. John Toth served as the regular AFL-CIO intern in the department for 1974-75.

Human Resources Development Institute

The Human Resources Development Institute, established by the Executive Council in September 1968, is the AFL-CIO's manpower arm. HRDI has 52 offices throughout the country, including Alaska and Puerto Rico, which offer technical assistance and guidance to the labor movement to stimulate greater union involvement in the planning and operation of manpower programs. Since HRDI field staff are housed, in most instances, in the offices of the state and local central bodies, they work in close cooperation with the officers of these and other central bodies within their assigned areas.

Funds for HRDI's basic program primarily come from the Manpower Administration, U.S. Department of Labor. HRDI is currently operating under its sixth contract with the Department of Labor.

HRDI's first president, Julius F. Rothman, died on Dec. 13, 1974. Under his leadership, HRDI became an effective vehicle of the AFL-CIO for serving the labor movement as well as minorities and disadvantaged Americans. As stated by President Meany, "countless workers and the entire trade union movement are the better because of Julius."

On Dec. 20, 1974, Alan Kistler was elected by the HRDI Board of Trustees to succeed Julius Rothman as president. Harold H. Jack continues as secretary-treasurer, and Charles E. Bradford was appointed in June 1975 to serve as executive director.

HRDI's headquarters operation consists of three basic divisions: Building Trades Programs, headed by Assistant Director Michael Arnold and staffed by Michael Bowen, William Cook, William Haymon and Michael McMillan; Field Services, headed by Assistant Director Alfred Love and staffed by Richard Womack; and Program Development, Evaluation and Training,

staffed by Timothy Dunbar, Timothy Durkin, Michael Nash and Ellen Wernick. Other national office staff are James Scott and Marcia Stein.

Committee on Political Education

The responsibility of national COPE is to involve union members and members of their families in the democratic process—to register members, to help educate them on the issues and candidates' records, and to encourage them to vote on election day. National COPE coordinates the political programs of the labor movement at all levels.

Alexander E. Barkan is director of national COPE. Joseph M. Rourke is deputy director, and John Perkins is assistant director. Headquarters staff includes Mary Zon, research director; Margaret Cronin, research assistant; Earl Davis, national field coordinator; Walter Bartkin, comptroller; Ben Albert, publications director; David Jessup, special assistant. Mrs. Ruth Colombo is director of the Women's Activities Department for the eastern states; Mrs. Margaret Thornburgh for the western states.

Twelve area directors and four field representatives comprise the national COPE field staff.

Department of Public Relations

Primary responsibility of the department is to inform the general public of AFL-CIO activities, goals and programs. This is done through continuing daily contact with press and broadcast representatives, personal and telephone interviews, press briefings and news conferences.

Interviews with representatives of foreign news media, governments and labor organizations are also conducted by this department.

The department also seeks to understand and respond to public sentiment as reflected in the nation's newspapers and news magazines and on radio and television. Clippings of opinion columns, editorials and letters to the editor from major publications are reviewed continuously and answered when appropriate. The department also monitors radio and television programs and provides statements and rebuttals under the FCC "Fairness Doctrine" to counter unfair or distorted commentaries involving labor. It also responds to inquiries on labor matters by scholars, students and private citizens.

"Labor News Conference," a weekly public-service broadcast, is being produced for the 15th consecutive year. The program consists of interviews with union officials and staff specialists by newspaper reporters on a wide range of issues of concern to

labor. The broadcasts, carried by the Mutual Broadcasting System, are regularly reported in the press.

President Meany's annual Labor Day message is recorded and broadcast by radio stations throughout the nation. Addresses by other labor leaders are also recorded and broadcast over the major radio networks.

Tapes of Labor News Conference, special broadcasts by labor leaders and major speeches by AFL-CIO officers are made available for use by schools, universities and other interested organizations and are in strong and constant demand.

The department works closely with all other headquarters departments on special projects, such as preparing speeches and speakers' handbooks, press releases, congressional testimony, conferences, legislative and organizing campaigns and other undertakings. Staff members are assigned to assist state and local central bodies during political education campaigns, the Coordinated Bargaining Committee and the Committee for National Health Insurance and devote many hours to special projects requested by affiliated unions.

The department director also represents the AFL-CIO on the Advisory Committee of Non-profit Organizations to the Corporation for Public Broadcasting.

The director of public relations is Albert J. Zack. Robert J. Wentworth was the assistant director until his retirement on May 31, 1975. Allen Y. Zack was named assistant director. Charles W. Hughes produces Labor News Conference. Dale Larson is a staff representative. Sidney Brechner is the sound engineer.

Department of Publications

The improvement of communications within the trade union movement and emphasis on wider distribution of AFL-CIO publications have been the major goals for the Department of Publications in the past two years.

To achieve these objectives, existing regular publications have been updated and a wide range of new material has been prepared and made available to affiliates and opinion-shaping forces in the community.

The AFL-CIO News

The key to basic information on the extensive activities of the AFL-CIO and its affiliates continues to be the weekly newspaper. Giving major coverage to the priority issues formulated by the last convention, the News is the basic instrument for dissemination of the policies and positions of the trade union movement on the entire range of federation interests. The paper carries in-depth coverage of national and state legislation,

political affairs, major contract negotiations and disputes, conventions of affiliates and international labor affairs.

AFL-CIO American Federationist

The federation's monthly magazine is edited to complement the News and provides the background information and perspective to the programs and policies of the AFL-CIO. Magazine articles are widely reprinted and quoted both within and outside the trade union movement.

AFL-CIO News Service

The number of labor papers which receive the News Service has grown over the past two years. In addition to meeting the basic needs of the labor press, it is being more widely used to distribute material on major AFL-CIO campaigns.

Pamphlets, Leaflets, Books

The basic list of publications has been expanded and revised during the past two years. New titles have been added and older material has been completely redesigned and re-edited to meet new needs and problems.

Distribution of these publications has been widened with particular attention to schools and community groups at all levels.

Noticiero Obrero Norteamericano

This Spanish-language publication, available also in Portuguese, is edited and produced in the Office of the President and sent to readers in Latin America. Carrying news of the U.S. labor movement, it performs a valuable service in promoting understanding of U.S. labor among the people in these countries.

The Director of Publications is Saul Miller. John M. Barry is managing editor of the AFL-CIO News and serves as assistant director of the department. Rex Hardesty is associate editor of the Federationist. Assistant editors of the News, who also work with the magazine and on non-regular publications, are David L. Perlman, John Oravec and James M. Shevis.

Department of Research

The Research Department analyzes and reports national economic trends, collective bargaining developments and related issues for the AFL-CIO, affiliated unions and central bodies. The department provides assistance to the officers of the AFL-CIO, other headquarters departments, committees and affiliated organizations. Staff members participate in the work of many governmental and public committees and meetings.

In 1974 and 1975 the department prepared materials on vari-

ous national economic issues involving government policies and legislation, including the recession, unemployment, energy, minimum wage, international trade and investment, occupational safety and health, taxes, productivity and manpower.

The department staff provided assistance to affiliates and to state and local central bodies on OSHA, the Service Contract Act, international trade, minimum wage legislation and regulations, federal pay, state and local taxes.

Staff members served on the Labor Research Advisory Committee to the Bureau of Labor Statistics and coordinated the work of research departments of affiliated unions with the committee. The department continued to coordinate labor representation on Puerto Rican minimum wage committees.

Members of the department have participated in union schools, programs of the Labor Studies Center, workshops on economic education for teachers and the clergy, presentations of AFL-CIO economic policy views to numerous university and other public groups. The department has distributed AFL-CIO pamphlets and reprints from the Federationist to public school teachers, academic people and clergymen throughout the country several times each year to help bring organized labor's views on important economic issues to a wide range of opinion-makers and students.

In cooperation with the School for Workers of the University of Wisconsin, the department has continued to sponsor the AFL-CIO industrial engineering institutes. Members of the department staff have assisted the Labor Studies Center in its institutes, related to trade union research and to economic issues.

The department director is Nat Goldfinger. Arnold Cantor is the assistant director. Economists in the department are George Taylor, Anne Draper, Elizabeth Jager and Markley Roberts. Taylor serves as executive secretary of the AFL-CIO Standing Committee on Occupational Safety and Health. Clara Schloss is a consultant on minimum wage legislation and regulations.

Bill J. Cunningham recently joined the department staff as a department representative, replacing Philip E. Ray, who held that position during 1974 and early 1975. Richard Galleher left the department for the staff of the Public Employees Department.

The department's intern for 1974-1975 was Patrick Mason. Barbara Cottman is the intern for 1975-1976.

The intern who worked on occupational safety and health in 1974-1975 was Neill DeClercq. In 1975-1976 the intern in this area is Frederick Burton, Jr.

Department of Social Security

The Social Security Department provides guidance and information for achieving AFL-CIO objectives for social insurance, health and welfare programs. The department works closely with

government and private organizations in order to increase understanding of AFL-CIO policies in these areas and to advance prospects for their adoption.

Working closely with the Department of Legislation, it prepares testimony and other materials for presentation to Congress. The staff has presented or prepared statements for the following congressional committees: Senate Finance Committee, House Ways and Means Committee, Senate Committee on Labor and Public Welfare, House Labor and Education Committee, House Foreign and Interstate Commerce Committee and Senate Special Committee on Aging.

The department has, in cooperation with other departments, national unions and state and local bodies, attempted to secure better public and membership understanding of departmental objectives through publications, speeches, seminars and other educational work. As part of this effort, staff prepared or assisted in the preparation of pamphlets, data and articles on Social Security, health care, pensions, workers' compensation, unemployment insurance, welfare, child care, social services, rehabilitation and senior citizens.

Regulations issued by the Executive Branch to implement new legislation and to carry out administration of existing laws have raised many problems and policy questions which require considerable staff time and study. Of particular concern have been the regulations implementing the new health maintenance organization and pension laws. Pension regulations are expected to be a continuing problem as effective dates for various provisions of the law become operative over the next several years.

A major focus of the department has been the fight for passage of the National Health Security Act. Close liaison is maintained with the Committee for National Health Insurance and with other organizations supporting National Health Security.

Improvements in the Social Security Act were a major concern of the department during the last two years. Considerable staff time and effort was spent defending the Social Security system against alarmist and exaggerated attacks by certain sections of the media. The department has worked closely with the National Council of Senior Citizens in these endeavors as well as in other matters related to the aging.

The department has continued to advise state bodies on unemployment insurance and workers' compensation and has sought wider support for these views through staff participation in advisory committees and in other bodies related to these fields. Staff was deeply involved in the passage of unemployment compensation legislation by Congress during 1974 and 1975 and in activities related to pending workers' compensation legislation.

The department has been involved in efforts to devise proposals for welfare reform and has given greater emphasis to promotion of child care programs especially for families with

working mothers. It also played a major role in enactment of legislation for improved social services.

The staff has worked with the Group Health Association of America to support establishment of local comprehensive health plans and has helped to promote rehabilitation and employment of handicapped workers.

Members of the department are: Bert Seidman, director; Lawrence Smedley, associate director; Dick Shoemaker, James O'Brien and Mary Logan, assistant directors. Mike Graydon was the intern for 1973-74.

Department of Urban Affairs

The Department of Urban Affairs provides guidance and assistance in achievement of AFL-CIO housing and community development policies and objectives. It serves the officers, the AFL-CIO Housing Committee, other departments and affiliates.

In its areas of responsibility, the department staff keeps up with current activity levels and trends, legislative developments and the administration of federal programs. The department focuses upon workers' housing needs, mortgage financing, construction employment and labor standards. It also provides requested information and analyses to affiliates on specific state and local projects and programs.

In close cooperation with the Legislative Department, the department has prepared AFL-CIO testimony and statements for presentation to Congress on housing, mortgage finance and community development legislation. It has also prepared statements on these matters for presentation to the Executive Branch.

Informational materials are prepared for distribution to affiliates and public interest groups through a monthly Housing Newsletter, articles for the AFL-CIO Federationist and special purpose publications. To help union members play a role in local community development programs, "A Guide to the HUD Community Development Program" was prepared in cooperation with the Departments of Community Services and Civil Rights.

At the last convention of the AFL-CIO, development of a national housing strategy was recommended that would consider the housing needs of the increasing number of households, including working families, unable to afford housing in the private market. The department has undertaken a nationwide sample survey of housing conditions and needs of AFL-CIO union members.

The staff maintains close cooperation with leading public interest housing organizations, including the National Housing Conference, Foundation for Cooperative Housing, National Association of Housing and Redevelopment Officials, National Committee Against Discrimination in Housing, Leadership Conference

on Civil Rights, National Rural Housing Coalition and ad hoc coalitions for low-income and senior citizens housing. The staff also maintains contact with officials and staff of the Department of Housing and Urban Development, Federal Home Loan Bank Board, Federal Reserve Board, Bureau of the Census and home-building and mortgage-lending industry groups.

Henry Schechter has been director of the department and Secretary of the AFL-CIO Housing Committee since July 1974, replacing John Evans who retired. Joyce Pazianos and Jacqueline Brenner, housing specialists, are professional staff members.

Mortgage Investment Trust

The AFL-CIO Mortgage Investment Trust, established in 1964 by the Executive Council, provides a secure investment program for affiliates and qualified labor-management welfare, pension and retirement plans. It is a co-mingled trust fund for investment in federally-insured or guaranteed construction loans and mortgages. Virtually all trust investments are in low- and moderate-income, multi-family housing projects using union labor.

The trust presently has assets at market value of over $58 million and has financed construction of over 6,100 housing units. All trust operations are conducted under procedures set forth in a Securities and Exchange Commission registration prospectus.

William Tutt has been the acting financial manager of the Mortgage Investment Trust since July 1974.

Office of the General Counsel

As laws, particularly those concerning the trade union movement, become more numerous and their interpretation more complex, the duties of the General Counsel have become more exacting and intensified. The Office of General Counsel has demonstrated a high degree of competency in representing the AFL-CIO and the labor movement generally in dealing with these and other legal problems.

These legal services cover every day problems as well as major legal situations. Issues of a vital nature have been raised before the National Labor Relations Board and in the high courts of the land.

The general counsel, J. Albert Woll, and other legal staff as necessary attend all meetings of the Executive Council as well as committee and staff meetings where legal advice might be required. In addition, members of the law firm of Woll & Mayer also travel throughout the U.S. to represent the AFL-CIO in court litigation and appeals, government and intra-federation hearings, meetings and conferences.

Thomas E. Harris, associate general counsel since merger, left the AFL-CIO to become a commissioner on the Federal Election Commission. Robert C. Mayer, a partner in Woll & Mayer, was named associate general counsel, and Laurence Gold, who has been with the Woll firm since 1964, was appointed special counsel. Gold will assume Harris' duties.

Since the last convention, David C. Woll has joined the firm of Woll and Mayer.

The general counsel's office consults with the executive officers, department directors and committees on general legal matters. It has concerned itself not only with the many state and federal laws affecting labor organizations, but also with the multiplicity of statutes and regulations that affect every working man and woman in their pursuit of suitable working and living conditions.

To assure that the voices of the legal representatives of organized labor are heard to some degree in the deliberation of pertinent legal groups, representatives of the general counsel's office have maintained professional contact with committees of the American Bar Association and local bar groups, the Judicial Conference on the Federal Courts, the National Council on Crime and Delinquency, the National Legal Aid and Defenders Association, the National Conference on Citizenship, the ABA Commission on Correctional Facilities and Services and many others. Members of this office have also participated in and conducted seminars and classes on various aspects of problems facing labor organizations, and have prepared educational material for use by labor relations' institutes and submitted articles for publication in nationally circulated legal periodicals.

On the federation's behalf, the general counsel's office has furnished general legal services to the AFL-CIO Labor Studies Center, Labor Council for Latin American Advancement, the AFL-CIO Mortgage Investment Trust, the American Institute for Free Labor Development, the Asian-American Free Labor Institute, the Human Resources Development Institute, and the African-American Labor Center. Although these organizations are separate and distinct legal entities, they work closely with the federation in the furtherance of mutual objectives.

In the legislative field, representatives of the general counsel's office have appeared before committees of Congress or assisted in the preparation of statements and testimony for submission by federation representatives.

All legal situations where disciplinary action by the AFL-CIO has been required under the federation's constitution, policy, rules and regulations have been handled by the general counsel's office.

Since the report to the last convention, the general counsel's office participated actively in a variety of trial court litigation and in the presentation of labor's position on numerous issues of

vital importance to the labor movement then under consideration by the Supreme Court of the United States including:

Gateway Coal Co. v. Mine Workers, which dealt with the arbitrability of safety disputes; Windward Shipping v. American Radio Ass'n, which turned on whether the legality of picketing of foreign-flag ships paying substandard wages is to be determined by federal or state law; Super Tire Engineering Co. v. McCorkle, which raised the issue of whether a family otherwise eligible for welfare benefits is disqualified because its breadwinner is on strike; DeFunis v. Odegaard, a Fourteenth Amendment case concerning the standards by which minority students applying for admission to school are to be judged; Dillard v. Virginia Industrial Comm'n., a case which involved the right of workmen's compensation recipients to a hearing before their benefits are cut off; Allee v. Medrano, which raised a series of issues as to the constitutional validity of the laws of Texas regulating picketing, and of their application during a strike by the United Farm Workers; Howard Johnson Co. v. Hotel Employees, which further defined the rights and duties of an employer who buys and continues to operate an enterprise during the term of a collective agreement; Geduldig v. Aiello, a Fourteenth Amendment case which concerned the exclusion of medical costs associated with pregnancy from the otherwise broad coverage of California's disability insurance program; Florida Power and Light v. Electrical Workers, which dealt with the right of unions to discipline union member supervisors who perform bargaining unit work during a strike; Letter Carriers v. Austin, which concerned the scope of union liability for allegedly libelous statements published in a union newspaper; Saxbe v. Bustos, a case in which the Immigration Service's practice of permitting aliens who reside in Mexico to work in the U.S. without securing a visa was challenged; American Radio Ass'n. v. Mobile S.S. Ass'n., which like Windward Shipping involved the law governing the picketing of foreign-flag ships; Linden Lumber Division v. NLRB, which presented the question of whether employers have an obligation to recognize a union which has demonstrated majority support by a method other than winning an NLRB-conducted election; Fusari v. Steinberg, which like Dillard concerned the right to a prior hearing, this time in the unemployment insurance context; Emporium Capwell Co. v. WACO, which turned on the right of minority employees to bypass their union and bargain directly with their employer concerning alleged racial discrimination; Connell Construction Co. v. Plumbers & Steamfitters, a case in which a general contractor in the construction industry challenged the legality of a clause secured by a union which did not represent any of his employees requiring him to let plumbing subcontracts to union firms.

These and other Supreme Court decisions bearing directly on organized labor are discussed in the Labor and The Law section of this report.

The Library

The activities of the AFL-CIO Library since the 1973 convention have centered on the acquisition of publications on labor and related subjects, research assistance, compilation of bibliographies to meet special staff needs, revision of the vertical files, shifting of book and periodical collections because of additional space, compilation of card indexes for microfilm publications and the programming of library materials for microfilming.

Redecoration of the library, an improved lighting system, relocation of shelves and additional space have made the library more efficient and more attractive.

All researchers are given access to books, periodicals and vertical file material. Borrowing privileges are limited to the staff, union affiliates, libraries and authorized persons. Reference use of publications is encouraged so that material is available when requested.

The book collection has approximately 27,500 volumes. Book selection is determined by current issues and labor events of the past. Subjects of special interests have been on discrimination in employment, the changing role of women, minorities, inflation, employment, multinationals, job satisfaction and wage-price controls. Many rare and out-of-print books make this collection an important research source.

The vertical file consists of articles, pamphlets, AFL-CIO press releases, reports and subject bibliographies. These files are a valuable source of information for past and current facts. There is a separate card index for this file.

The periodical collection includes AFL-CIO publications, those of general interest, periodicals in the industrial relations and economic fields, labor history, newspapers and government publications. The library receives 300 periodicals.

A basic part of the library centers on the publications and other sources of information relating to state central bodies and affiliated unions. The library receives proceedings, constitutions and journals of state central bodies and national and international unions.

Special collections are of particular interest. There is a file on early AFL and CIO history, the merger of the AFL and the CIO, child labor, women in the labor movement, a biographical file of labor leaders, histories of labor unions, files on Samuel Gompers, William Green and many others of historic significance.

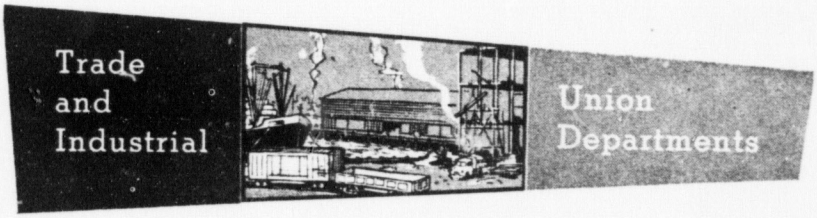
The addition of microfilm has increased the research value of the library. The publications of the AFL, the CIO, American Federationist, AFL-CIO News and Proceedings and periodicals of general interest, including the New York Times and the Congressional Record, are on microfilm. A microfilm reader-printer and a New York Times reader are in the library.

A daily record is kept of requests and use of library resources. From June 1973 through April 1975, 2,125 books were circulated, 4,986 periodicals, 424 vertical file publications, and over 3,500 research requests were received. The actual use of the book collection and vertical file material cannot be measured.

An accessions list of recent books and articles is published every month and distributed to the staff and upon request to other libraries and individuals.

A special project of this past year has been the microfilming of proceedings of state central bodies. They will be on microfiche cards and a microfiche reader will be available in the library.

The staff of the library consists of Jean Y. Webber, librarian; Dora Kelenson, assistant librarian, and the assistants are Mary Louise McMillen and Elizabeth Hebb.



In accordance with the Constitution, the Executive Council herewith transmits to the convention, without approval or disapproval, the following reports of the various constitutional departments of the AFL-CIO.

Building and Construction Trades Department

While the American economy generally has been in a deep recession, the construction industry has been in a devastating depression brought on by deliberate and misguided government policies.

The construction industry is literally fighting for its life. Over the past two years, the housing industry has collapsed. Electric utilities have been compelled to drastically cut back on vitally-needed energy expansion programs. Commercial construction has dropped off dramatically. Heavy and highway construction is virtually dried up. Contractors by the tens of thousands are being forced to the wall.

Construction has been the victim of constant Administration tinkering and vacillation. The nation's largest industry has no single voice and no designated agency in the government to represent it.

Worse still, the construction industry has borne an unfair and disproportionate burden in the Administration's questionable strategy of fighting inflation.

Over the past two years, the Federal Reserve Board, the Office of Management and Budget, and the Council of Economic Advisers have deliberately choked the construction industry through high interest rates and tight-money policies, freezing many housing construction programs, cutting back on other federal construction programs, and by defiantly impounding many billions of dollars of funds, contrary to the intent of Congress.

In short, what was done to the construction industry—America's bellwether of prosperity—brought the entire economy to chaos.

In the last year a succession of setbacks to the nation's construction markets have occurred—an energy crisis, a materials shortage, stagflation and a money crunch.

Construction activity has been affected more drastically than any other sector of the economy. It has labored under double-digit unemployment for 15 consecutive months—twice the national average. Underemployment is an equally grave problem.

According to Labor Department studies, the average full-time construction employee works an average of 1,200 hours at his trade each year—at least 800 hours less than the average industrial worker. The past year has seen the average number of hours worked per week by a construction worker consistently decline. Due to the scarcity of jobs, many local unions are being forced to adopt shorter work weeks. Nevertheless, these underemployed workers are counted as employed.

It is impossible to accurately estimate the thousands of skilled tradesmen being lost to the industry. Discouraged by the difficulty of finding employment, they are deserting the industry. If the building industry can be put back on its feet, this attrition would be halted and some use made of this country's most skilled workers, one of its greatest resources.

Since the last constitutional report of the Building and Construction Trades Department, expenditures for contract construction put-in-place first rose substantially and then began to fall off sharply. In 1972 the total was $123.5 billion, rising to $135.5 billion in 1973 and falling to $134.8 billion in 1974. As of April of this year, expenditures were running at an annual rate of $121.7 billion, off 21 percent from a year ago.

A break-out of the 1974 figures shows the following: private, $96.4 billion; and public, $38.4 billion. In the category of private construction, $46.8 billion was residential, $37 billion was for new housing units. Of the $49.6 billion spent for non-residential construction, $23.8 billion was commercial and industrial.

Public spending, which consists of federal, state and local expenditures, has continued to rise, increasing some 25 percent since 1972. Private construction, meanwhile, has taken a sharp nosedive from the 1973 level of $102 billion and remains below the 1972 level of $96 billion. The prime reason was the decline in residential construction from $54 billion in 1972 to approximately $47 billion in 1974.

Inflation has also severely affected the construction industry. In 1972, the composite cost index stood at 139 (1967=100). In 1973 it rose to 152 and in 1974 to 173, an overall increase in two years of 24 percent. In the first four months of 1975, the index read 182.7, 184.4, 185.1 and 186.1. The April figure was 10.5 percent above a year ago.

Much of the initial spurt in construction costs was due to the effects of removing the stringent wage-price controls which had been applied to the entire industry. Further, the 400 percent increase in oil drastically impacted the industry, particularly such segments as roadbuilding where asphalt, a petroleum by-product, plays an important role. Finally, the tremendous increase in world-wide demand for American products (e.g. steel) also led to price increases for construction materials and supplies.

Since the removal of wage controls, pay increases for construction workers have risen, although not enough to keep step with inflation. In 1973, the average collective bargaining settlement in the construction industry was 5.1 percent over the life of the contract and 5.0 percent for the first year. In contrast, the consumer price index rose 8.8 percent. The average construction worker therefore, lost ground to inflation. Union wages in the fourth quarter of 1973 stood at $7.79 or $9.09 when fringes and benefits were included.

Settlements ,including both wages and benefits, averaged 9.2 percent in 1974 over the life of the contract and 10.8 percent for the first year. Once again, prices rose at a faster rate, over 12 percent for the year. Union wages at year end were $8.46 or $9.46 when fringes were added.

For the first quarter of 1975, major bargaining agreements were averaging 4.1 percent or 4.5 percent for the first year. Meanwhile, the construction worker continued to fall behind the cost-of-living as prices rose at an annual rate of 6.3 percent. Union wages are presently $8.49 or $10.00 with benefits.

Legislative Activities

Legislative functions of the department have actively focused on issues of direct concern to its members and to organized labor in general. A course of action in full support of AFL-CIO legislative policies has been vigorously pursued.

The record of the Congress for 1974 shows many important legislative achievements, including:

- The landmark pension reform bill.
- A Budget and Impoundment Control Act.
- An $11.9-billion aid to mass transit systems.
- The first major housing bill since 1968.
- The first minimum wage increase since 1967.
- Inclusion of non-profit hospital employees under the National Labor Relations Act
- Increasing rural road authorizations under the Federal-Aid Highway Act of 1974.
- A $2.9 billion one-year authorization for military construction projects.
- A Water Resources Development Act.
- A Safe Drinking Water Act.

As the country fell deeper into a recession in 1974, the Congress rushed through legislation to set up an emergency public service jobs program, extend unemployment compensation to about 12 million previously uncovered workers and authorized an additional 13 weeks of unemployment compensation for workers who had exhausted their regular and extended unemployment benefits.

A major effort in the House to exempt employers of 25 or less from complying with the Occupational Safety and Health Act was defeated by the Senate and later by House and Senate conferees.

The New River Bill, which would have killed Federal Power Commission licenses to construct two multi-purpose dams on the New River in Virginia and North Carolina, was defeated on the floor of the House.

A great deal of time and energy went into improving the Senate-passed reform bill, first in committees of the House, then in conference, and finally on the floor of both houses.

The gains made through a coalition of unions with multi-employer pension funds were substantial, indeed, and saved millions of dollars for the funds that would have been expended for administrative fees to the federal government at $1 per participant. Also saved were charges for termination insurance in the same amount per participant as required of the single employer pension plans. Moreover, improvements were made to provide for selection of a suitable vesting formula and a reasonable funding provision with the right to apply for variances, if necessary. The report later will deal further with this subject.

The Congress, under the new Budget and Impoundment Control Act of 1974, required the President to report to Congress impoundments or recisions of authorized programs for which funds had been appropriated. Over $19 billion of funds for construction of sewage treatment facilities, highways, housing and health facilities had been impounded prior to the act and much still remains under Administration impoundment.

The Mass Transit Aid bill provides $11.8 billion for capital improvement programs and operating assistance over the next six fiscal years. Financing will come from the federal government on an 80-to-20 percent formula for capital improvements and 50-to-50 formula for operating assistance.

The new Housing Law placed emphasis on the leased housing program (formerly Section 23, now Section 8 of the new act), and established a new system of federal assistance for community development programs through block grants rather than categorical grants.

The Fair Labor Standards Act was amended to provide for a three-step increase in the minimum wage for covered workers to $2.30 per hour by Jan. 31, 1976. It also extended coverage to non-supervisory employees of Federal, state and local govern-

ments (requiring payment of overtime rates), to farm laborers and domestic service workers who qualify.

In order to bring non-profit hospital employees under the protection of the Taft-Hartley Act, new regulations involving strike notice, notice of termination and use of the Federal Mediation Service were written into the legislation. Efforts of the department turned back an attempt in the House to add an additional cooling-off period.

A bill heavily supported by maritime and building trades unions passed the House and Senate but died when President Ford refused to sign int law the Energy Transportation Security Act of 1974. It would have required a percentage of oil imports to be carried on U.S.-flag ships.

The degree of success that the department experienced in the last session of the 93rd Congress largely can be attributed to the interest and concern of the General Presidents. Evidence of that involvement was the number of international union legislative representatives who participated in the program and the interest in the field which was generated on specific issues.

At mid-1975, the legislative outlook of the 94th Congress could at best be described as mixed. Following the fall elections, it appeared that labor had a Congress fully equipped to deal with the most serious recession since the 1930s and a rapidly escalating energy crisis. What we witnessed instead was a Congress which has buckled under to presidential vetoes of important legislation and an indecisiveness bordering on liability.

The first session of the 94th Congress has been marked by the passage of several important pieces of legislation. The Tax Reduction Act must rank among the most important. The $22.8 billion tax-cut bill increased and broadened President's Ford's $16 billion proposal. The measure, however, was cut back from the Senate's proposed $30.4 billion package. The final version included a 5 percent tax credit, worth up to $2,000, for buying a newly-built home. Designed to stimulate the badly-ailing housing industry, this provision was added to the Senate bill and the building trades fought to insure its inclusion in the conference report.

On Feb. 5, Congress blocked Agriculture Department regulations that would have required families to pay more toward the cost of food stamps, which was especially important for building trades workers who are suffering the nation's highest unemployment.

Nearly four months later, Congress cleared a bill extending through December 1976 emergency jobless benefits for workers, including those who were not covered under the federal-state compensation system.

Along much of the remaining economic front, however, Congress has fared less well. The House and Senate budget resolutions were indicative of the Congress' refusal to adopt a strong anti-recessionary policy. Under provisions of the Budget and

Impoundment Control Act, the House and Senate adopted budget targets that would result in a $68.8 billion deficit. Although higher than the $60 billion ceiling set by President Ford, this figure was much lower than estimates of the deficit required to adequately stimulate the economy and halt the spiraling unemployment rate.

In subsequent action, Congress failed to override the President's veto of two important job-creating bills—the Emergency Jobs Appropriation Bill and the Emergency Middle Income Housing Act. Both bills would have provided hundreds of thousands of jobs in the depressed construction industry.

The House, on June 4, fell five votes short of overriding a veto of the $5.3 billion jobs bill. About $3.2 billion of the bill was earmarked for a variety of labor-intensive public works and other construction projects.

The House failed by a larger margin, 16 votes, to override a veto of the housing bill. The vetoed bill would have set up three new housing subsidy programs for middle-income home buyers in an effort to stimulate housing construction and created a federal loan program for jobless homeowners unable to meet mortgage payments.

In the aftermath of these failures, the Congress speedily passed a watered-down version of the housing bill, the Summer Youth Employment Appropriations Act and funding for the public service jobs program—the latter two being surviving remnants of the jobs bill.

In other actions, the House rejected an attempt to prohibit the use of funds in FY 1976 and the July-September transition period for on-site construction on or procurement of the Clinch River Breeder reactor demonstration project.

The perennial attempt to weaken the Occupational Safety and Health Act by prohibiting the use of any funds for the issuance of penalties for first violations of federal safety and health rules by firms employing 25 or fewer persons was also rejected. Because the construction industry is largely comprised of smaller firms, passage of this amendment by Rep. Findley would have seriously emaculated the enforcement of OSHA in our industry.

Congress has also taken two small but important steps with regard to the federal highway program, this country's largest federal construction program. On May 22, Congress cleared legislation to temporarily increase to 100 percent the federal support to states for certain highway and mass transit programs. The bill was designed to reduce unemployment and accelerate highway construction. Both the House and Senate have, in addition, passed bills relating to the state preparation of environmental impact statements for federal highway projects.

Of utmost importance to the building trades, is the Equal Treatment for Craft and Industrial Workers bill, commonly known as situs picketing. For nearly 25 years, the building trades have been seeking legislative relief because the Taft-

Hartley Act, as interpreted, has been applied unfairly to construction workers.

Two bills have been introduced in Congress, H.R. 5900 by Rep. Thompson, and S. 1479 by Sen. Javits and Williams. Both bills have the common purpose of correcting the long standing inequity which prohibits building tradesmen from respecting a picket established at a construction job site advising them that non-union workers are being employed by others on the same job.

This inequity has made the building trades unions and members legally powerless to protect themselves while giving a construction employer a virtual license to destroy unions with impunity.

H.R. 5900 and S. 1479 would legalize any strike or refusal to work directed toward any of the contractors engaged in operations at the construction site wherever a labor dispute on working conditions exists and the terms of an applicable collective bargaining agreement are not being violated.

In all the years that Congress has reviewed this legislation, not once has the House or Senate taken a vote on the issue. But already the House Labor and Education Committee has acted in favor of the bill 31-7, and the full House has voted 230-178 in favor of final passage. The Senate Labor Committee has reported the bill and the full Senate is expected to complete its deliberation of the bill shortly after the August recess.

Congress' agenda is also loaded with other building trades issues. In the coming months, action is to be expected on a major public works bill, the massive federal highway program and its trust fund, the financial plight of the utility industry, federal air quality legislation and the crucial area of energy in which at least one bill with significant impact on the construction industry, the Building Energy Conservation Standards Act of 1975, is pending.

National Coordinating Committee for Multiemployer Plans

The department was very active in helping to shape the Employee Retirement Income Security Act of 1974 so that it would recognize and take into account the special needs and circumstances of multiemployer plans. Our effort was to a large extent successful.

We invited and received the collaboration of a number of unions outside the building trades, including apparel, maritime, retail trades, printing trades, mining and transportation. There were briefing sessions, exchange of views and problems, and a coordinated effort with respect to the congressional committees.

We began after the Senate passed a bill in September of 1973 that would have threatened the continued existence of a large number of multiemployer plans.

The bill which passed, whatever its remaining faults, is a law which is much closer to being livable, as a result of our major effort that required a great deal of professional and technical assistance. Much of our success was due to the fact that multiemployer funds spoke with a united voice.

We in the building trades believe that this sort of work—so important in shaping the bill itself—must continue during the implementation period, lest we lose what was gained in the legislative effort. A vast area has been left for regulation, interpretation, forms and special studies. There will be extensive litigation. How all of this is carried out may be at least as important as the language of the legislation itself.

For desirable results, a united voice speaking for the interests of multiemployer plans involved was essential. Multiemployer welfare and pension funds which have a host of special problems with which the government staff people are not entirely familiar.

Regulatory agencies have too often acted in a manner never contemplated by the framers of the original legislation. Landrum-Griffin is a prime example. The pension problem is compounded because four government agencies—Treasury, IRS, Labor and the Pension Guaranty Corporation—four congressional committees, and two congressional pension study groups are involved. Indeed, if all the agencies involved in the new pension legislation are not carefully monitored and made aware of our continuing interest, the results could be disastrous.

The department decided to establish a Coordinating Committee on Multiemployer Plans in order to press forward with the Labor and Treasury Departments, IRS, and the corporation on rules, regulations, forms and interpretations that will reflect an understanding of the methods of operation and realities of life of the multiemployer plans.

This committee also monitors litigation, and the congressional studies required under the act. We also expect that it will be necessary to have early clarifying or corrective amendments to the law and, for that purpose, to work with the congressional committees and the departmental staffs.

The stakes are high. We plan a united, coordinated effort to monitor, in a timely manner, the general problems which will confront multiemployer plans in their regulatory, legislative and judicial aspects.

The department had the assistance of a concentrated effort by Martin E. Segal Company as consultants and actuaries. We have engaged them to continue that work into the stage of implementation and corrective legislation. To further aid in this work, we have engaged the law firm of Arnold and Porter to handle those matters which affect tax questions, and the firm of Feder and Mittelman, which principally will be concerned with questions falling within Labor Department jurisdiction.

It is hoped that the work of this committee may be given general direction by an advisory committee representative of the different industries with a large interest in multiemployer funds.

The Building and Construction Trades Department Executive Council unanimously voted to assess its constituent internationals for the financing of this initial work ($6,000 for a union of 25,000 members of less, and $12,000 for a union with over 25,000 members). The objective was to get full input as to the general problems and potential solutions, whether in terms of appropriate regulations, rulings, forms, or corrective legislation.

Outreach

The department is especially pleased with the continued success of the Apprenticeship Outreach and Journeyman Outreach Programs in fulfilling the goal of minority recruitment for all its affiliates. The department has continued to support and actively promote affirmative action efforts to increase minority representation in the construction trades.

Currently 105 Apprenticeship Outreach Programs are being carried out across the country with the full support of Building and Construction Trades Councils in the respective areas in which they operate. As of February 1975, 36,118 young minority workers have become indentured apprentices.

According to the most recent available statistics from the Bureau of Apprenticeship and Training, 15.6 percent of the apprentices in the construction industry in 1973 were from minority groups. Among new registrants for that year, 16.8 percent were minorities. It is most significant that more than 9 percent of all union building tradesmen are now from minority groups.

A number of international unions affiliated with the department sponsor national training programs funded by the Department of Labor for pre-apprenticeship and/or journeyman trainee projects to assist local unions in meeting their affirmative action responsibilities. Increasingly, local unions and joint apprenticeship committees are seeking financial assistance under the Comprehensive Employment and Training Act of 1973 to expand affirmative action efforts.

The project agreement for the Trans-Alaska Pipeline contains assurances that native Alaskans and other minorities be provided training and job opportunities in conjunction with the construction of the pipeline. Alaska law also requires that priority be given to Alaska residents in the hiring for pipeline jobs.

The department has worked with the Human Resources Development Institute (HRDI) in establishing an office in Anchorage to lend assistance to the Alaska building trades unions in planning, developing, and coordinating manpower programs to meet their affirmative action requirements. The HRDI national office monitors and coordinates the operation of the Alaska office with

the Building and Construction Trades Department and international unions. Through the concerted efforts of the unions, Alyeska, contractors and governmental agencies, job opportunities provided native Alaskans during the first year of construction surpassed the original goal.

The department and its affiliates have entered into a construction agreement with the Navajo Indian Nation to assure the training and employment of Navajos in conjunction with the construction activity on or near the Navajo Indian Reservation. The agreement provides for a Navajo Construction Industry Manpower Program (NCIMP) administered by HRDI. It is anticipated that over 300 Navajo Indians will be trained for apprenticeship and journeyman positions in various construction crafts by early 1976. As a quid pro quo, the Navajo Nation has given assurances that construction activity on the Navajo Reservation will be covered by provisions of existing collective bargaining agreements. The construction agreement and the NCIMP were developed in cooperation with the building trades unions in Arizona, New Mexico, Utah, and Colorado in preparation of the construction of several coal gasification plants, power plants, and other projects to be built in the four-corner states area.

The continuing progress is noteworthy because it has taken place in the context of a depressed construction industry with unemployment of staggering proportions.

We are pleased with the progress that has been made and we expect that it will be maintained. We will continue to work with sound and effective affirmative action programs that produce results for minority workers and for the union, while also maintaining the standards and benefits of the union for all workers. We will continue our opposition to gimmicks and quota systems which are ineffective and undermine craft standards.

Legal Activities

In the period since the last convention, a number of legal developments have occurred that have great impact on unions in the building and construction industry. The department's legal activities report at the last convention made note of continuing developments under the "right of control" doctrine of the National Labor Relations Board. Under this work preservation clauses have been held unlawful by the board when applied to contractors who have "labor only" contracts and who are thus not able to "control" the allocation of work traditionally performed on the job site rather than prefabricated away from the site. The last report noted that, in spite of the rejection of this doctrine by several U.S. Courts of Appeals, the board had recently revised and continued its "right of control" test in two companion cases. The U.S. Court of Appeals for the Fourth Circuit has subsequently enforced one of those decisions, George Koch Sons, Inc. v. NLRB, 490 F. 2d 323, enforcing 201 NLRB 59.

Although Supreme Court review was not sought of the Fourth Circuit's decision, a subsequent "right of control" case has been argued to the U.S. Court of Appeals for the District of Columbia Circuit, en banc, United Association Local 638 v. NLRB. A decision is expected shortly.

The last report of the department also state that, in a related development, certain major employer groups had filed law suits alleging that subcontracting agreements which are permitted by the construction industry proviso to Section 8 (e) of the NLRA violate the anti-trust laws. The leading case on the issue, Connell Construction Company, Inc. v. Plumbers and Steamfitters Local Union 100 was pending in the U.S. Court of Appeals for the Fifth Circuit at the time of the writing of the last report. The department had entered that case and filed a brief, amicus curiae, in support of Local 100. Subsequently, the Fifth Circuit decided by a 2-1 vote, that picketing to obtain a subcontracting clause in the construction industry is not an anti-trust violation. The court did not rule on the question of whether the union's picketing was also protected under the NLRA (84 LRRM 2001). Connell subsequently appealed the case to the U.S. Supreme Court, which issued its decision on June 2, 1975 (89 LRRM 2401). In a 5-4 ruling, the Supreme Court reversed the Fifth Circuit and held that a subcontracting clause sought by a union from a contractor who has no employees represented by that union is not protected by the construction industry proviso to Section 8 (e), violates the basic prohibition in that section, and may be subject to anti-trust sanction as well. The decision, which appears to negate much of what Congress intended in enacting the construction industry proviso to 8 (e) in 1959, has potentially far-reaching consequences. At the time of this writing, the decision is under study by counsel for the department and its affiliated unions to determine its impact.

The last report mentioned a major attack on the department and its affiliates through a series of unfair labor practice charges filed by the Associated Builders and Contractors, Inc., an open shop organization. The major thrust of the attack was a charge that the department and its affiliated unions had engaged in a conspiracy directed against the member employers of ABC and their employees. In June of 1974, after a lengthy and extensive investigation, the board's general counsel threw out the conspiracy allegation which was at the heart of the ABC charges. The case against the department and 13 of its affiliates was dismissed in its entirety, while limited complaints were issued against certain local unions and building trades councils, and four international unions, but solely on the basis of allegations that they were individually involved in specific instances of unlawful conduct. The dismissal by the general counsel put to rest what President Georgine termed "one of the most preposterous charges in the history of the National Labor Relations Act."

The department and certain of its affiliates have also launched a campaign of their own against ABC and its affiliates. This attack is based on the failure of ABC and its local chapters to file certain reports required by the Labor-Management Reporting and Disclosure Act of 1959. In a case involving the Ohio Chapter of ABC, the chapter and one of its employer members were ordered by the Department of Labor, after a complaint filed by the Carpenters and pressed by the department, to file various reports required by the act. In addition, the department has filed a complaint with the Department of Labor requesting an investigation of the failure of the national ABC to file reports as required by the act. That complaint is currently being processed by the Labor Department.

While there has been extensive litigation in the area of civil rights law within the construction industry, basic principles are still being developed in the course of on-going litigation. It is expected that the next several years should see the establishment of certain significant principles in this area.

Industrial Union Department

Loss of jobs from recession and loss of worker family purchasing power from inflation have occupied a major share of the IUD's attention during the past two years.

Our guiding policy has continued to be that described by IUD President I. W. Abel as supplementing and complementing the AFL-CIO. To that end, activities of the IUD cover a full range of services to its affiliated unions and their six million members.

Two years of deterioration in the national economy caused the IUD to intensify its efforts in every area of activity. Ongoing functions of the department are described in detail later in this report.

However, the severity of the problems facing American working people have demanded much, much more than "business as usual." The IUD highlighted its efforts in this direction by sponsoring, in April 1975, an IUD Rally for Jobs Now in Washington, D.C.

More than 60,000 union members came to Washington, under the leadership of their national and international unions, to participate in what was described as the largest rally on an economic issue ever held there. The rally called on the federal government to enact a job-producing program designed to move the national economy quickly forward.

Coordinated Bargaining

The continuing and increasing importance of the IUD's coordinated bargaining services to its affiliates may best be illustrated by the fact that the IUD Coordinated Bargaining Section

now has 111 pending requests from affiliates to establish coordinated bargaining committees.

The service was established by IUD to provide its affiliates with a means of joining together cooperatively in bargaining with giant conglomerates and multinational corporations, whose activities cover a wide range of union jurisdictions. Presently 36 active coordinated bargaining committees are being serviced by IUD's coordinated bargaining staff of five coordinators and three analysts.

Because of widespread demand for the service, the IUD and interested affiliates are exploring the possibility of establishing 10 to 20 "target committees." These committees would conduct negotiations in areas that set contract settlement patterns on an industry-wide or other comprehensive basis.

In addition, IUD and union representatives are drafting, for submission to IUD's Standing Committee on Coordinated Bargaining, proposed guidelines for participation in Coordinated Collective Bargaining. The committee will decide whether to submit these guidelines to the IUD Executive Committee as a proposed IUD coordinated bargaining policy.

Meanwhile, experience has developed a coordinated bargaining goal of "compression" of expiration dates of contracts, so that as many contracts as possible expire at or about the same time. This allows unions in coordinated bargaining to bring the highest possible pressure against an employer.

Benefits of coordinated bargaining are many. Wages, hours and working conditions, as well as pension, health and welfare plans become more uniform and realistic under the coordinated bargaining approach.

Unions that participate in coordinated collective bargaining find it a valuable and effective tool for dealing with the new giants of American business and industrial life.

Health, Safety and Environment

IUD conducts a program of education, research, technical assistance and governmental liaison in conjunction with unions, government agencies and academic institutions.

Research—IUD is involved in a number of projects, including: impact of OSHAct on the health care delivery system; intergenerational effects of exposure on the job; hazard-benefit-cost analysis; international dissemination on hazardous industries; non-enforcement functions of pre-empted states, and hazards of airports.

Education—In collaboration with the Society for Occupational and Environmental Health, IUD helped conduct national and international conferences on the hazards of shipyards, vinyl chloride, lead, arsenic, beryllium, carcinogens and the impact on national health policy of occupationally and environmentally related disease.

Approximately one million workers have received or been exposed to materials prepared by the IUD: including our basic pamphlet, Work Without Fear; Spotlight, a quarterly newsletter; Facts and Analysis, a bi-monthly looseleaf service; and The Work Environment, a monthly column for the labor press.

In conjunction with community health and religious organizations, the United Church of Christ in particular, a program focused on occupational health education for the unorganized worker is being developed.

Technical Assistance—Requests for assistance at the plant level have decreased as affiliates have developed their own personnel and resources. Simultaneously, affiliate participation in ad hoc and permanent committees has increased tremendously in quantity and quality.

Government Liaison—A close watch and active intervention is required for participating in the formulation of policy in the many agencies concerned with occupational health and environmental control. While most attention is given OSHA and NIOSH, supporting agencies such as the National Institute for Environmental Health Sciences and the National Cancer Institute are also important.

This activity takes various forms. To achieve a tough vinyl chloride standard, it was first necessary to search out and organize relevant information, file a petition for an emergency standard, present a case in public hearing and defend the standard in court.

Pre-market screening of toxic substances, a high priority of the department, will be in part achieved by legislative initiatives of the IUD and our involvement in development of resources an administrative mechanisms in EPA and HEW which would implement such legislation. Our efforts to actualize participatory rights of workers provided by the act may require pressure for re-publication of "interim" standards as new standards, as in the case of proposed standards for six ketones whose environmental values are unchanged from the Walsh-Healey version but which bear new provisions for monitoring, medical examinations and record-keeping.

Legal Department

The Legal Department, under General Counsel Elliot Bredhoff, has been involved these past two years in a variety of activities relating to enforcement and increased litigation in areas covered by recently-enacted federal legislation. The department works closely with Secretary-Treasurer Jacob Clayman and staff on numerous legal matters which arise in the operation and administration of IUD affairs. In addition, it provides consultation, advice and assistance to IUD affiliates and their attorneys wherever feasible.

Legal assistance is regularly provided to Organizing Director

Nick Zonarich and to IUD's affiliates and organizing coordinators on the extensive problems encountered in the NLRB and the courts in IUD's continuing organizing efforts.

Periodic aid has been provided to the Textile Workers Union of America in its joint efforts with IUD to organize the J. P. Stevens Company. The IUD and Textile Workers filed a law suit against Stevens alleging that Stevens engaged in electronic eavesdropping of IUD and Textile organizers. This suit was settled for a $50,000 company payment which the union decided to use for the welfare of dischargees at one of the plants and for charitable and community purposes. Other litigation being processed against J. P. Stevens included an NLRB case charging that the company illegally fired 22 employees for raising questions during captive audience speeches just prior to an election.

Considerable legal assistance was rendered in the successful organizing effort at J. P. Stevens facilities at Roanoke Rapids, Va., the first election victory in the long Stevens campaign. Negotiations currently are going on at Roanoke Rapids, and legal aspects are being monitored by the department.

The Legal Department has also been heavily involved in a number of NLRB and court cases involving Florida Steel and the Steelworkers Union at three plants. So far, NLRB has upheld charges against the company at Tampa, and an administrative law judge has found the company guilty of withholding benefits from employees at its unionized plant in Charlotte. The Charlotte case, along with the Indiantown case involving the same issue, are pending before the Board. IUD counsel also successfully participated in two objections cases dealing with the Indiantown plant.

In addition, the Legal Department filed numerous appeals to the NLRB on behalf of IUD and various international unions, including cases involving Proctor-Silex, Whitaker Corporation, Dayco and Electronic Components.

Legal consultation and aid are provided regularly to Coordinated Bargaining Director Charles West and IUD Coordinators to avert and overcome the many obstacles which employers place in the path of coordinated bargaining. In this connection, the general counsel serves as counsel for the General Electric-Westinghouse Coordinated Bargaining Committee.

In the recent AMF coordinated bargaining campaign, the company refused to bargain with an expanded negotiating committee composed of local union representatives and representatives of other international unions. NLRB charges were filed, resulting in one settlement and two unfair labor practice decisions against the company. In addition, the Board successful sought an injunction against the company at one location.

The area of occupational safety and health saw the greatest expansion of the Legal Department's work. Close liaison has been maintained with Sheldon Samuels, director of IUD's Occupational Safety and Health Department, monitoring the standard set-

ting and enforcement activities of the Department of Labor and adjudicatory activities of the Occupational Safety and Health Review Commission.

The IUD has been deeply involved, along with the AFL-CIO and various affiliates, in a number of major lawsuits involving the Department of Labor. In IUD v. Hodgson the IUD opposed the Secretary's asbestos exposure standard. That challenge was only partially successful. However, the IUD successfully intervened in the Court of Appeals on the side of the Secretary of Labor in warding off an industry attack on the new vinyl chloride exposure standard. In Leone v. Mobil Oil, IUD challenged industry's position, supported by the Labor Department, that employees did not have to be paid if they participated in an OSHA walkaround inspection. That challenge was denied by the District Court and is currently being appealed.

The Legal Department also successfully attacked the Secretary's attempt to extend the time for states to come up with an acceptable state plan which conforms to federal standards. The Secretary was enjoined from granting any such extension of time. Thereafter, another suit was brought to enjoin the Labor Department's approval of state plans that were clearly insufficient in terms of meeting federal standards. (See AFL-CIO and IUD v. Brennan.) That suit has been dismissed by the District Court but is currently on appeal.

Two other areas where the Legal Department expanded its operation were economic stabilization and pension reform. During the period of economic controls, assistance was given to affiliates on preparation of submissions and in processing cases to the Pay Board and Cost of Living Council. In addition, IUD counsel worked closely with Research Director Richard Prosten on the IUD's information service for affiliates on COLC policies, regulations and decisions.

With passage of the new pension law on September 2, 1974, IUD established an information service concerning provisions of the law. IUD Research and Legal Departments are working cooperatively on this service. IUD counsel also has been involved in IUD establishment of lines of regular communication with the Department of Labor, Treasury Department and Pension Benefit Guarantee Corporation so that affiliates can be kept abreast of latest developments in this field.

The Legal Department has also sponsored coordinated IUD lawyers' conferences involving lawyers of IUD affiliates. It is hoped that these will lead to greater coordination and cooperation on the numerous legal problems facing the labor movement.

Legislation

In spite of congressional belt-tightening in a deepening recession, and Administration hostility to labor's goals, the labor movement was able to achieve significant legislative gains since

the last convention. Among the important successes since October 1973, were establishment of federal standards for administration of private pension plans, an increase in the federal minimum wage to $2.30 an hour and further extension of the Fair Labor Standards Act. In addition, the successful defense of the Occupational Safety and Health Act against the continuing efforts of its enemies to weaken it or whittle it down must be considered a victory.

As it has every year since the law was enacted in 1970, the IUD fought to keep the law intact and to increase its funding and improve its administration. Efforts to exempt from OSHA coverage the small businesses in which most accidents occur were successfully defeated. A House move to block safety inspections of firms with 25 employees or less was beaten in the Senate and kept out of the final appropriations for OSHA. An increase in funding for the current fiscal year allowed for the hiring of 620 additional inspectors.

IUD constantly kept before Congress and the Administration the inadequacy of even these gains. For, as IUD Secretary-Treasurer Clayman reminded legislators at every opportunity, each day 400 working men and women die of an occupational disease or injury.

Enactment of the pension reform bill was the culmination of seven years of work and study by Congress. The new law is designed to protect retirement rights of at least 25 million workers in the more than 300,000 pension plans now in existence.

Besides raising the federal minimum wage, eventually, to $2.30 an hour, the amendments to FLSA adopted in 1974, after first being vetoed by President Nixon, extend coverage to about five milion federal, state and local government employees and about one million domestic household workers—the first time this group of workers has been given the dignity of an established wage.

A defeat for labor in the interval since the last convention was rejection by Congress of the Foreign Trade and Investment Act—the "Burke-Hartke" bill—and enactment, instead, of a trade bill that allows the President to negotiate away non-tariff safeguards as "impediments" to trade. I. W. Abel, president of the IUD, warned in appearances before Congress that the trade bill did not deal with the issues—with the whole system of concessions and tax incentives that encourage American firms to move overseas, promote the export of American capital and technology, increase the power of multinational corporations and foster the loss of American jobs to overseas competition. "None of these problems," he warned "is dealt with by the Trade Reform Act. It is nothing more than quackery." Nevertheless, the act was passed.

Faced with an unemployment rate that threatened to go to 10 percent or higher before the end of 1975, IUD worked for funds that would increase public service employment and accelerate

public works programs. IUD's "Rally for Jobs Now" was designed to confront official Washington with the growing unrest among American workers as unemployment mounts. Working for legislation that will create more jobs is going to be one of our major activities for months to come.

Voting rights, as always, continues to be one of IUD's major concerns apart from strictly labor issues. We strongly advocated a federal program for registration by mail as the most effective way of bringing to the polls the 40 million men and women in the U.S. who cannot vote because they are not registered. Our efforts to have the mail registration program enacted failed in the 93rd Congress. We are working for its passage, now, in the 94th. Voting was also the subject of the major civil rights bill of this Congress—the extension of the Voting Rights Act of 1965, whose key provisions were scheduled to expire on August 6, IUD joined with major national civil rights organizations to extend the act another 10 years and to broaden the law's coverage to protect the voting rights of other minority groups, notably citizens of Spanish heritage, Asian Americans and Indians.

Rights of workers as consumers will be championed by the new Consumer Protection Agency that labor is working to see established. The new agency would be the consumer's advocate before other federal agencies and in the federal courts.

There is still a vast unfinished agenda—at the very top of it is national health insurance. And, meanwhile, enactment of a program to save health benefits of the five million workers whose layoffs have left them unprotected.

IUD continues to press for passage of laws that will guarantee working men and women decent jobs and decent working conditions and a society in which they and their families can thrive.

Multi-Group Insurance Plans

Promoted by the IUD, two small group insurance plans have been made available to help small locals or amalgamated locals that had been previously required to purchase group benefits for their members through the employer's broker. This meant that these locals were not getting maximum benefits for the dollars being spent to purchase benefits, due to the broker's commission level and carrier retention. The Multi-Group pool has been providing more benefits for less retention dollars.

Thousands of dependents are enjoying benefits under these plans. Much of the improved participation can be directly traced to a change in policy concerning the payment of commissions, along with greater promotion on the part of the underwriters. The underwriters are Prudential Life Insurance Company and Nationwide Insurance.

Briefly, here are some of the economic advantages to workers and to companies in this program.

1—The program is non-contributory, which means the company pays the entire cost.

2—Because of the arrangements with the carriers, it is possible for companies with very few employees to participate on a group basis.

3—Retention, that is the proportion of the premium dollar kept by the insurance company for commission, administration, expenses, reserves, taxes, etc., is 8 to 15% below that for the smallest group normally able to get group coverage. It is, of course, a great deal less than if the group was covered by itself.

4—Because it is a pooled plan, bad experience of any one company is not reflected in immediate premium increases. The entire experience is pooled, and, thus, small companies, which might have real bad experience if one of two employees died that year, benefit by the overall experience.

5—Dividends are returned to companies which have had a consistently good experience.

6—Despite inflationary increases in medical and hospital costs, premium increases have been stabilized to a lower level than the rate of increase in medical charges.

Reserves for the Prudential and Nationwide programs total over $250 000, or about 20% of the annual claims, which is a sound figure.

National Industrial Group Pension Plan

The National Industrial Group Pension Plan is the IUD-sponsored nationwide pension plan developed in 1965 by the top labor negotiators for international unions affiliated with the IUD. The internationals realized that thousands of small companies had no pension plans at that time because companies complained of the high cost of administration involved in setting up a pension plan; i.e., hiring actuaries, lawyers dealing with the IRS and other government agencies, and keeping records. The National Industrial Group Pension Plan eliminates most of these tasks and keeps the costs low because of central administration.

It is administered by a Board of Trustees including an impartial public chairman and six labor and six management men. Labor members are: Walter J. Burke, Secretary-Treasurer, USWA; Pat Greathouse, Vice President, UAW; Matthew Guinan, President, TWU; Gilbert Jewell, President, AIW; Wm. W. Winpisinger, Vice President, IAM; Nicholas A. Zonarich, Organizational Director, IUD.

There are only two documents that the union and company have to sign:

A—The labor agreement between the company and the union covering the pension plan, which would include such items as the company contribution and duration of the contract, and agreement to abide by the rules, regulations and Trust Agreement of the IUD Pension Plan.

B—An agreement signed by the company and union (with Prudential as the Administrator) to abide by the agreement and Declaration of Trust of the National Industrial Group Pension Plan.

Currently 18 international unions, including unions affiliated with the IUD, have locals already participating, and the present status is as follows:

No. of Participants	39,728
No. of Companies Participating	502
Value of Fund	$25 Million
Annual Contributions (1974)	$7.8 Million
Increase 1972-74, No. of Companies	95%
Increase 1972-74, Annual Contributions	120%

Organizing

The IUD has expanded its cooperative, coordinated organizing effort under a mandate from its 10th Constitutional Convention.

Concentrated in areas of heavy potential, the IUD's coordinated organizing program allows participating affiliates, with assistance from the IUD, to join together in organizing drives. For some time the program has been concentrated in the South and Southwest.

At the request of several affiliates, the IUD opened a new office in Mississippi to coordinate a statewide drive there, with as many as 14 persons from 11 affiliated unions taking part. The Mississippi drive recently won its first representation election in Tupelo.

To broaden this effort, the Mississippi office has joined with those in Houston and Dallas, Tex., to form a "mid-Southern states" program.

In addition, the IUD organizing effort in the southern textile industry continues to be a major activity, despite aggressive anti-union activity on the part of the industry. A major breakthrough was union success in representation elections among some 3,500 textile workers in seven plants in North Carolina, and in a plant in Statesboro, Ga. Contract negotiations, as well as court action in Georgia to compel bargaining, are underway.

In the face of the worst economic recession since the Great Depression of the 1930s, the IUD Organizing Department can report positive results. Continued union progress is making a favorable impression in the South despite massive employer resistance, and union activity finds a friendlier climate there than in the past years.

By working together, affiliated unions are able to bring to the field of organizing a vigorous and productive effort on behalf of workers who need the trade union movement if they are to advance their living standards as they should.

Research

The last two years have been a period of growth and substantial activity for the IUD Research Section.

Economic Controls Information—In the period between our last convention and the mid-1974 scrapping of economic controls, the section aided affiliated unions in dealing with the control bureaucracy.

During Phase I, the section devised a reporting service which continued through Phase IV, placing pertinent information about economic controls in the hands of affiliates on a timely basis. By conclusion of the program, over 2,000 pages of information had been sent out. Those materials included detailed analysis of individual regulations, rulings and directives, and all pertinent documents issued by the Cost of Living Council and the Pay Board.

Simultaneously, the research director aided many affiliates in submitting required filings, tracking down cases that had been "lost" in the controls bureaucracy, and in attempting to get reconsideration of denied cases.

Pension Information—Recently, the research section embarked on a similar information service to assist affiliates in dealing with the Employee Retirement Income Security Act of 1974. In cooperation with the IUD general counsel, the research section has been sending out analyses of important aspects of the Act. It is expected that this activity will pick up, both in volume and significance, as regulations are issued by the Office of Employee Benefits Security and the Pension Benefit Guarantee Corporation.

Basic Research—Since the last IUD convention, the research section has continued its basic pursuit: supplying analysis of economic and regulatory agency activity for IUD affiliates, officers, publications, and conferences and, occasionally, for the use of our legislative section. The research operation assembles needed statistics and analyses for use in collective bargaining by affiliated unions. It also provides some basic research services, upon request, to smaller affiliates whose budgets do not permit the retention of their own research staffs.

Focus on Multinationals—Within the last year, the research section has added staff to do background research on multinational corporations. Particular emphasis is placed on the impact of their foreign and transnational operations on the economic health of the U.S. The section is compiling material on the history of multinationals and the tax and legal frameworks that have evolved in the U.S. which encourage exportation of technology and jobs.

The section also has been seeking to alert the Executive and Legislative branches of government to the need for responsible data collection about, and analysis of, the operations of U.S.-based multinational corporations.

IUD Data Center—A continuing major activity of the IUD research section is the IUD Data Center. The Data Center's sur-

vey of major collective bargaining agreements was updated and reissued as of September 1974. It now includes 103 agreements. The growth and size over previous surveys reflects recent unionization in previously unorganized sectors. The survey has become a standard reference work, with many colleges, universities and other outside organizations requesting copies.

The Data Center provides massive contract survey reports for IUD collective bargaining committees. Over 3,000 fully analyzed current agreements are now stored in our data bank.

The Data Center has available on computer tape the last 14 years of NLRB representation elections. Each of our affiliated unions receives a complete list, on a semi-annual basis, of elections in which it participated. During the past two years, the center has been called on by affiliated unions to prepare a number of additional election history profiles. These studies have analyzed in detail such things as election activity within individual states, in groups of states, and within certain industries and groups of industries, as well as chronological and inter-union breakdowns.

The IUD collective bargaining and research staffs use the 14 years of elections as a major resource in tracking down union representation at individual plant locations. It is hoped that additional sources can be added to the 14 years of elections so that the IUD will have in one place as much information as is available in the U.S. concerning plant-by-plant bargaining representation. Information from these lists is available to all affiliates at all times.

The Data Center has also been recording information regarding plant closings, permanent curtailments and relocations. Information from this system has been used to bolster our legislative approaches on multinationals, pension reinsurance and runaway shops.

Public Relations

The IUD's public relations activity has also kept pace with the heavy demands of the times on the IUD program of services. Through its publications, the IUD has widely disseminated labor views on the pressing issues of the day and labor's demand that more jobs and less inflation are immediate necessities.

A major public relations activity grew out of the IUD's Rally for Jobs Now. Print and electronic mass media from all over the U.S. and several foreign countries were informed in advance and assisted at the rally. Materials publicizing the rally and other materials for use at the rally were drafted and prepared. Follow-up assistance to the labor and general press helped gain wide coverage of the rally and its message.

Throughout the past two years, IUD publications and materials in support of organizing, coordinated bargaining, and other activities have been updated and disseminated.

IUD's quarterly magazine of opinion, "Viewpoint," continues to grow in stature as a respected voice of labor. Its quarterly "IUD Bulletin" continues to keep state and local labor leaders around the country informed about IUD activities.

Metal Trades Department

Since the last convention the Metal Trades Department has continued to be confronted with many issues in striving to progressively maintain its prime purpose of serving its affiliated unions in areas of their mutual interest. It has been a period of significant activity in the many areas of its functioning on behalf of its affiliated organizations.

The department is presently composed of 22 affiliated international unions. The Metal Polishers, Buffers, Platers and Allied Workers Union, by convention action, disaffiliated from the department effective May 31, 1974. It is again necessary to report, as we have to previous conventions, that up to this time none of the former CIO unions has affiliated with the Metal Trades Department.

The Executive Council of the Metal Trades Department has met quarterly since the 1973 Convention. At each of its meetings the Executive Council received comprehensive reports and took actions as required on numerous matters presented by its officers.

During the past two years there have been two changes in the membership of the Executive Council. On May 14, 1974, Draper Doyle retired as president of the International Molders and Allied Workers Union. Subsequently, on May 31, 1974, the Executive Council elected his successor, Anton J. Trizna, as a vice-president of the department. In addition, as a result of the untimely death of William E. Fredenberger, president of the International Brotherhood of Firemen and Oilers, in January of 1975, the Executive Council, on May 5, 1975, elected his successor, John J. McNamara, as ninth vice-president of the department.

The department's constitution and bylaws were amended by action of its 1973 convention, incorporating revisions in the department's laws governing its operation.

The monthly publication, "Metaletter," continues to be published and is well received with regard to its factual and useful information. It is designed and published for widespread distribution, posting on bulletin boards and for use in connection with the campaigns and activities of our department's local Metal Trades Councils.

The jurisdictional policy of the department, which was substantially revised in 1968 in accordance with the action of the 1967 Convention, has continued to be used by the department's affiliated international unions. During the past two years there

have been approximately 22 cases processed, of which nine have been settled by the parties involved, with the remainder pending resolution.

The department continues to maintain two full-time general representatives, one functions on the West Coast and the other on the East Coast and in headquarters in connection with the servicing of all the department's Metal Trades Councils and their affiliated unions.

Metal Trades Councils

Local Metal Trades Councils are chartered in response to requests of three or more of our international unions to function in local areas or industries in which such unions desire to coordinate their organizing and representation efforts and continue to provide a unique and effective method to achieve this end. Our local councils function as delegate bodies, with the workers holding membership in their respective craft or trade unions, and they preserve and protect the right of each individual member to membership in and representation through his craft or trade union. They are composed of members of affiliated unions employed in both private industry and federal establishments. The majority of the efforts and energies of our department are expended in assisting our Metal Trades Councils with their problems and their programs.

The department presently has approximately 80 functioning Metal Trades Councils, about three-quarters of which represent workers in various private industrial establishments and the other quarter represents workers employed in federal activities. The councils representing workers in private industrial establishments include plants of the Energy Research and Development Administration, shipbuilding and repair yards, petroleum and petrochemical plants, non-ferrous metal and metal mining, and workers in a wide variety of other industrial operations employing the skills of various metal trades crafts in operation and maintenance work.

By virtue of the actions taken by the department's 1973 Convention, all local Metal Trades Councils were instructed to comply with the standard local council constitution and bylaws and were required to raise their monthly per capita tax to not less than 50 cents per member on Jan. 1, 1974, so as to assure the local councils of having sufficient income to assure proper functioning.

Our department has Federal Employee Metal Trades Councils which represent federal workers at major federal installations throughout the United States. These councils presently have more than 45 collective bargaining agreements which they have negotiated for exclusive bargaining units composed principally of wage-board civilian employees at such installations.

In addition to our local Metal Trades Councils, the department

has three functioning district councils: East Coast District Metal Trades Council, Federal Employees West Coast District Metal Trades Council and the Pacific Coast Metal Trades District Council.

The East Coast District Metal Trades Council and the Federal Employees West Coast District Metal Trades Council are composed of local Metal Trades Councils and affiliated local unions which represent federal employees at the various federal activities in the East and West Coast areas.

On the Pacific Coast, the Pacific Coast Metal Trades District Council and its affiliates hold the basic bargaining agreement covering the vast majority of the shipbuilding and repair industries workers on the West Coast and is composed of local councils and local unions with membership engaged in the shipbuilding and ship repair industries.

With its very limited income and its exceedingly small staff, it goes without saying that the department must rely mainly upon the cooperation of its affiliated international unions and their staff representatives for the servicing of its chartered councils. The success and the effectiveness of the functioning of local councils in servicing the membership of the affiliated unions is dependent very largely on the contributions of the affiliated unions in giving of their strength and leadership to make their councils' operations meaningful and successful.

As last reported, the department's Cooperative Committee on Organizing Federal Employees in conjunction with the Naval Shipyard Federal Employee Metal Trades Councils were conducting organizational campaigns. In addition, their combined efforts were successful in repulsing several "raiding" attempts by independent organizations. The function of the Cooperative Committee was terminated at the end of February 1974, having accomplished a satisfactory program and achieving improvements in furthering the development of the councils in their organizational functions and servicing the workers within their respective jurisdictions.

Our department is most appreciative of the assistance rendered by the Organization and Field Services Department of the AFL-CIO, by the Cooperative Committee and by the various representatives of affiliated unions who devoted their time and efforts in assisting our local councils in connection with such programs.

Representation of Federal Workers

The Metal Trades Department has had chartered, functioning local Metal Trades Councils in federal installations since the date of our department's chartering in 1908 and has represented substantial numbers of wage workers in federal establishments, particularly naval activities, throughout the country.

Under Executive Order 10988, our local Metal Trades Councils and their affiliated local unions in federal installations obtained

exclusive recognition and negotiated collective bargaining agreements which presently exceed 45 in number and cover many tens of thousands of federal civilian workers at major installations of the Navy, Army, HEW, Commerce, Coast Guard and NASA.

On Oct. 29, 1969, President Nixon issued Executive Order 11491, which revoked and replaced Executive Order 10988, effective Jan. 1, 1970. The new executive order was subsequently amended by Executive Order 11616 issued on Aug. 26, 1971. The amendments were indeed disheartening and discouraging. The progressive changes sought and outlined in the testimony of the AFL-CIO, our department and other affiliates at the Federal Labor Relations Council hearings in Oct. 1970 were stifled. The resultant minimal changes obviously were and became totally ineffective. For example, the testimony by AFL-CIO representatives requested full payment of negotiating time for union committee members but was granted only to one-half pay for all their time or a total of 40 hours negotiating time, which applied for the entire ground rules and agreement negotiations.

The major losses were in the area of grievance and arbitration procedures allowed under the order. The agreement grievance procedure was strictly limited to interpretation and application of the agreement and was required to allow for employees to present their grievances under the negotiated procedure without intervention of the union. The question of whether a grievance issue was grievable or arbitrable was now made subject to procedures prescribed by the Assistant Secretary of Labor, rather than allowing a grievance and its arbitrability to stand on its own merit under the contract procedure and the arbitration provision.

The impact of the amendments of Aug. 26, 1971 were immediate and far-reaching. The negotiation processes in connection with renewal agreements were retarded as to the question of negotiability of agreement provisions, many of which had been contained in prior agreements. They were now held to fall within the scope of management's rights and therefore non-negotiable. The numerous cases filed with the Federal Labor Relations Council on the question of negotiability of such items and its decisions on a great majority either eliminated or minimized such matters upon which collective bargaining previously had been possible in the federal sector.

The impact of the amended order of President Nixon mutilated any meaningful collective bargaining and gave to agency heads and their representatives a most effective means for the regression of collective bargaining efforts and to burden union negotiators with procedural requirements so as to make the total collective bargaining process a mockery and a charade.

For over a full decade from the time that President Kennedy's order was issued, our department, its councils and affiliated unions exerted every effort to achieve meaningful collective bargaining relationships within the limitations of the bargaining

allowed by executive orders. The constrictions woven into the executive orders and regulations governing collective bargaining have mutilated any meaningful progress in federal collective bargaining, which had been contemplated under the original order of President Kennedy.

In conjunction with the ordered changes deliberately impeding and multilating bargaining opportunities and numerous regulatory requirements issued effectuating the same, it is also significant to note that the attitude of government agencies toward collective bargaining also deteriorated simultaneously and resulted in our department, its councils and affiliates having to rely on the filing of unfair labor practices and the use of the formalized procedures prescribed under the order in an effort to belatedly obtain a measure of equity for those we represent.

The department has therefore worked with the AFL-CIO and other affiliates in drafting and endorsing legislation to provide a statutory base for federal labor-management relationships which would assure federal workers a statutory base for union representation and collective bargaining paralleling, insofar as possible, that enjoyed by their fellow members in private industry.

Again in April of 1974 the Federal Labor Relations Council held hearings on the amended order at which the AFL-CIO, our department and other affiliates testified in an effort to once again effect progressive changes in the order.

Subsequently in Feb. of 1975, President Ford issued Executive Order 11838 amending Executive Order 11491. Such amendments became effective the following May with the exception of two amended sections.

A review of these amendments and changes led to the conclusion that a gesture of tokenism had occurred and that collective bargaining in the federal sector would remain a mockery and a charade.

Consequently, our department, in conjunction with the AFL-CIO and other affiliates, vigorously continues to pursue the enactment of legislation to provide for true collective bargaining in the federal sector.

Merchant and Naval Shipbuilding and Repair

Since the enactment of the Merchant Marine Act of 1970, subsidized contracts for the construction of 56 oceangoing merchant ships totaling 6.2 million deadweight tons have been awarded to American shipyards. These contracts represent a total investment of $3.1 billion. Of this total, $1.1 billion will be provided by MarAd's construction-differential subsidy program. The remaining $2 billion will be private sector funds. Also, subsidized contracts for the conversion of 18 conventional cargo ships into containerships were granted at a total cost of $88.2 million. In summary, the subsidized shipbuilding program under the Act,

federal outlays and commitments of $1.1 billion have caused orders valued at more than $3 billion.

In addition to these subsidized orders, since Jan. 1, 1971 non-subsidized contracts for 68 merchant vessels valued at nearly $3 billion, were awarded to American shipyards. It is estimated that these orders equate to an additional 82,000 man-years of employment for shipyard workers and employees in allied marine supply firms.

As of Dec. 31, 1974, 95 merchant vessels (of 1,000 gross tons and over) totaling 5,060,900 tons were on orders or under construction in 19 United States shipyards. Another 10 shipyards were engaged in constructing 38 offshore drilling units. Seventeen of these units were delivered during 1974.

Twenty-four merchant ships of 1.704,300 gross tons (3,307,800 dwt) were ordered and 24 vessels of 684,300 gross tons (1,045,-500 dwt) were completed in 1974. This amount was lower than comparable figures for 1973. It is estimated that the value of unfinished merchant ship construction was $4.4 billion at the end of 1974 and in addition it is estimated that $1 billion in work of constructing drilling units and conversions of existing rigs and drill ships remain for completion.

Private shipyard employment in 1974, from preliminary data released by the U.S. Bureau of Labor Statistics, indicated that total employment reached approximately 160,000 with a ten months average of approximately 145,000. Averages for the years of 1973 and 1972 were approximately 144,000 and 138,000 respectively. Production employees in private shipyards worked an average of 38.4 hours per week during the month of November 1974. The annual average in 1973 was 38.7 hours per week and in 1972 was 39.6 hours per week.

The proposed MarAd budget requested for fiscal 1976 to support merchant ship construction totals $245 million under the activity of the Maritime Administration.

The active U.S. Navy fleet continued to drop in number during the year of 1974. It is estimated that from a high of 976 active naval vessels in 1967, the number will decline to approximately less than 500 in the future.

In the area of naval ship construction, 63 naval vessels of 1,000 light displacement tons or more, totaling approximately 685,000 light displacement tons were being constructed in six private shipyards at the close of 1974. During the year of 1974, nine naval vessels were delivered, with the estimated value of $4.0 billion worth of uncompleted naval ship construction at the end of the same year remaining.

Additionally, five naval vessels were either undergoing conversion or modernization in the shipyards at the end of 1974.

The closures of the Boston, Mass. and the Hunters Point (San Francisco, Calif.) Naval Shipyards during 1974 reduced the number of these yards to eight, but such closures did not drastically change the overall employment of naval shipyard workers.

Naval shipyard work in these two yards was transferred to other naval shipyards and as such a preponderance of the work force from the inactive yards accepted employment in the remaining active yards. Accordingly, employment in the remaining naval shipyards averaged an approximate total of 65,000 workers in November of 1974.

The budget request for naval ship construction and conversion proposed by the Administration for fiscal year 1976 totals approximately over $5.4 billion which includes the consideration of constructing 23 naval vessels. Also proposed is an estimated $1.8 billion for naval ship repair and alteration.

The national security of our country depends upon our having a strong, modern merchant fleet supported by a capable and thriving shipbuilding industry coupled with a virile and updated superior naval fleet.

Apprenticeship and Vocational Education

Since the last convention the Joint Apprenticeship Committee of the Building and Construction Trades and Metal Trades Departments has continued its functioning in its advisory capacity to the presidents of the two departments. It considers all matters of general interest to apprenticeship and to its protection and promotion. The advisory recommendations made by the committee have received the affirmative attention and approval of the Metal Trades Department.

The Joint Apprenticeship Committee has devoted considerable time and effort to the protecting of apprenticeship principles and programs against unwarranted and destructive government interference. We hold strongly to the principle that the place of government in apprenticeship lies in its promotion and not in its administration.

In February 1974, the AFL-CIO Executive Council approved a resolution dealing with the subject of apprenticeship and accordingly it was submitted by the Joint Apprenticeship Committee to the Secretary of Labor requesting the re-establishment of the Federal Committee on Apprenticeship composed of only those labor and management organizations that fund and support the apprenticeship concept; to defer any policy, procedural and initiative action on apprenticeship until such time as the Federal Committee is reformed; and the need for an expanded Bureau of Apprenticeship staff to properly promote the growth and continuance of bona fide apprentice systems.

In view of the foregoing and with regard to subsequent matters and issues relative to the administration's lack of progression on apprenticeship, the Executive Council of the Metal Trades Department adopted a resolution in February 1975 which called for the enactment of legislation which would sever the Bureau of Apprenticeship and Training from the Manpower Administration and establish it as an independent bureau. This resolution

was adopted by the Maritime Trades, Building and Construction Trades, Railway Employees, Union Label and Service Trades and Public Employees Departments.

The National Apprenticeship Act was passed in 1937, charging the Secretary of Labor with the responsibility of safeguarding the welfare of apprentices. After the Manpower Administration was established, the Bureau of Apprenticeship was made subordinate to that Administration and its decision-making authority was restricted.

The resolution charged that the Apprenticeship Bureau's role has been progressively reduced, working to the disservice of the Metal Trades Department and the Building and Construction Trades Department which, jointly, have the vast majority of all registered apprentices in the nation and a correspondingly large concern with their welfare.

Accordingly, the resolution called for the Bureau of Apprenticeship to be restored to an independent status and that it function with full authorities, delegations and resources, equivalent to any other administration in the Department of Labor.

Our department's appreciation and thanks are extended to the chairman and members of the Joint Apprenticeship Committee for their untiring and devoted efforts to the preservation of craft standards and craft integrity.

Leadership Programs

During the past two years, our department has continued its program of leadership training seminars for the benefit of council officers and stewards. In conducting such seminars our department has been ably assisted with instructors from the affiliated international unions.

During this period, our department has conducted ten such seminars with its councils both in the federal and private sectors.

Included was our department's participation in a seminar held at the University of California in August of 1974. The seminar was held in conjunction with the AFL-CIO Labor Studies Center and the University for the leadership of our department's West Coast and Hawaii Federal Metal Trades Councils and the newly chartered West Coast District Council. The seminar embraced all phases of federal collective bargaining pursuant to Executive Order 11491 so as to assist the councils' leadership in the development of their skills in meeting their responsibilities in collective bargaining at federal activities where their councils maintained exclusive bargaining rights.

Our department extends its sincere appreciation for the splendid cooperation and assistance rendered by the AFL-CIO Labor Studies Center, the AFL-CIO Department of Education, and the representatives of our affiliated international unions who worked with us in developing and conducting our leadership training programs during this period.

Legislative Activity

The Metal Trades Department does not maintain a legislative representative as such but works directly through its officers and representatives in supporting and cooperating with the AFL-CIO Legislative Department and in obtaining the active assistance and cooperation of that department on legislative matters of particular interest to our department and its affiliated unions.

We also maintain close legislative liaison with the Building and Construction Trades Department, the Maritime Trades Department and other departments of the AFL-CIO on legislative matters of particular concern.

We are most appreciative of the assistance given to our department by the AFL-CIO Legislative Department in connection with the numerous legislative matters of concern to our department.

Relationship with Other AFL-CIO Departments

Our department has continued a close working relationship with the various other trade departments of the AFL-CIO. Many of our affiliated organizations are also affiliated with such departments as the Building and Construction Trades Department, the Martime Trades Department, the Union Label Trades Department, the Railway Employees Department, the Industrial Union Department and the Public Employees Department. It has been our continuing policy to work with the other departments of the Federation in areas of our mutual concern.

We desire to express our appreciation to the officers of the AFL-CIO and to the heads of its various internal departments for the excellent cooperation which has been extended to our department and its councils during the past two years.

Maritime Trades Department

Since the 1973 convention the AFL-CIO Maritime Trades Department has continued to pursue its program aimed at safeguarding the job security of the workers represented by its 44 affiliates. This program had two major objectives:

1—Legislative and administrative programs designed to stimulate the growth of maritime industries; and

2—Development of national policies to support a strong U.S. merchant marine.

The MTD's principal legislative goal was the enactment of the Energy Transportation Security Act of 1974, HR 8193, which would have mandated a share of U.S. oil import cargoes to American-flag ships. An intensive campaign involving the all-out support and cooperation of President Meany, every AFL-CIO department and state AFL-CIO, as well as international unions, city central bodies and local unions, preceded congressional approval of this important legislation.

At the same time, the MTD looked to the future through a vigorous campaign aimed at assuring that vast new maritime and ocean industries now being developed are reserved for American workers. Opportunities in industries such as deepwater port development, ocean mining, offshore oil and gas exploration, floating power plants and expanded oceanographic exploration provide the nation's most promising new job frontier. The jobs these industries create will provide work not only for shipbuilders and seamen, but for many other American workers in construction and building trades and in a host of allied fields.

The main goal of the MTD is to guarantee that these job opportunities are filled by American workers.

The need to maintain the job security of existing workers as well as the development of new industries is all the more important in view of the present level of unemployment. As in the past, these problems reaffirm the MTD's dedication to the welfare of the members of its affiliated unions. The MTD will continue to use every means at its disposal in cooperation with other AFL-CIO international unions and departments in pursuit of this objective.

Job Security for Maritime Workers

The MTD's campaign in support of enactment of HR 8193, the Energy Transportation Security Act, was the department's No. 1 priority in 1974.

All segments of the labor movement supported this effort which helped achieve overwhelming victories in both the House and the Senate. Despite determined oil company and Administration opposition, and in the face of nationwide anti-maritime attacks by the news media—attacks inspired by the major multinational oil companies—Congress approved HR 8193 and sent it to the White House where it was killed by President Ford's pocket veto.

The key to success was a "grass roots" campaign that the AFL-CIO state and local bodies, MTD port councils, international unions and locals, and the AFL-CIO constitutional departments made possible.

The fact that this legislation was ultimately vetoed by President Ford cannot diminish the importance of the milestone achieved when this legislation was passed by the Congress. It represented the first recognition by the Congress that the American economy could not be dependent on the fleets of other nations to carry our vital oil imports. If America's security is to be maintained, and the U.S. economy shielded from the effects of an oil transport cut-off, a U.S. oil tanker fleet is a necessity.

Congress also recognized that assuring the U.S. fleet cargo was the only means to prevent the massive layoffs and unemployment in the U.S. fleet that it had experienced only two years before. At that time, not only were thousands of American seamen with-

out work, but U.S. shipyard workers faced bleak prospects for the future.

The MTD will continue its efforts to guarantee a fair share of U.S. cargo for U.S. ships. The livelihoods of thousands of American seamen and shipbuilders and workers in allied industries depend on this cargo.

The Continuing Maritime Program

While the effort to pass HR 8193 was underway, the 1970 Merchant Marine Act continued to generate new ship construction in U.S. shipyards. In June 1975, some 91 U.S.-flag vessels were on order, almost half of them a result of the impetus of the 1970 act. The total tonnage of 8.8 million tons was the largest orderbook in the shipbuilding industry as well as 50-60,000 jobs in allied industries.

Included in the shipyard orderbooks were a number of precedent-setting new vessels, including the first 16 U.S. liquified natural gas vessels that will carry gas imports to ease this nation's critical gas shortage. In addition, 10 U.S.-flag bulk carriers for the Great Lakes and five intermodal roll-on-roll-off vessels are under contract. All of these vessels will provide jobs for thousands of shipyard workers and will increase the competitiveness of the U.S. fleet.

However, these vessels and others built under stimulus of the 1970 act will have no guarantee of steady employment unless adequate cargoes can be assured. This is why the MTD has set the assurance of cargo as a major legislative goal for the future. Through cargo, the U.S. merchant marine and its workers will be assured of job security in the years ahead.

MTD Attacks on the Oil Companies

The MTD's efforts to enact the Energy Transportation Security Act brought the department into direct confrontation with the vested interests of the major multinational oil companies. Even though the Congress, after the Arab embargo, was determined to gain greater control over the oil industry, the only major legislation to do so that passed both Houses of Congress in 1974 was HR 8193, the Energy Transportation Security Act.

As a result, as the oil companies were able to block other energy bills, they were able to increasingly turn their attention to the oil cargo bill. It was only through the help of many concerned members of the labor movement that the MTD was able to offset strong opposition to HR 8193.

At the same time, the MTD and its affiliated unions were determined to expose to the nation the price-gouging practices of the oil companies and preferential federal tax treatment which has encouraged the acquisition of vast power by the multinational oil cartel. In a series of reports the MTD has pointed out the unfair economic advantages enjoyed by the oil companies, such

as their use of foreign-flag runaway fleets registered in Liberia and Panama as a tax dodge that undercuts U.S. ships and crews in the competition for cargoes. The MTD has pledged its support for the energy policy of the AFL-CIO, which proposes to close oil company tax loopholes, break up the oil companies' vertically integrated energy monopoly, and suggests legislation to regulate the oil companies as public utilities.

The MTD plans to continue its efforts to call public attention to the control oil companies exercise over the U.S. economy. America's workers, particularly those in the maritime industry, have suffered from the activities of the oil companies and are determined to seek congressional support for the AFL-CIO energy policies.

Construction Begins on the Alaskan Pipeline

Thousands of new jobs have been created for construction and maritime workers as a result of the start of construction of the long-delayed Alaska pipeline. The MTD, joined by a broad coalition of AFL-CIO unions, successfully supported legislation which cleared the way to the construction of the Alaska pipeline.

As a result, by 1978, 1.2 million barrels of critically-needed oil will be moving from Alaska to the "Lower 48" on a fleet of more than 30 U.S.-flag tankers built in U.S. yards and manned by U.S. crews. It is estimated that 25,000 workers will be needed for the work on the pipeline itself.

The MTD is continuing its efforts to assure that U.S. independent tanker operators are able to participate in a substantial portion of the Alaskan oil trade and are not shut out by oil company proprietary fleets. This will assure a competitive shipping situation in this essential new trade, with accompanying job opportunities for U.S. maritime union workers and benefits to the American consumer.

Preserving the Jones Act

One of the major challenges encountered by the MTD has been the continued efforts by the nation's oil companies to use America's energy problems as an excuse to breach the Jones Act. The MTD was successful in defeating all but one of these attempts and has worked to establish stronger protection against any waiver of the Jones Act.

Since 1920, the Jones Act, which reserves U.S. coastal shipping for U.S. ships, has been a tremendous source of jobs for U.S. seamen and shipbuilders. As a recent MTD report noted, during the past two decades more than half of all U.S. commercial shipyard employment was involved in the domestic maritime industry.

Soon after the oil embargo began in late 1973, the oil companies, using their subsidiaries and dependent energy companies as fronts, began a widespread effort to breach the Jones Act to

permit foreign-flag vessels and crews to enter the U.S. domestic trades. Waivers were considered for such diverse cargoes as coal, oil, liquified gas, and fertilizer.

The MTD recommends that Congress end the executive authority held by the Treasury Department to waive the Jones Act without public hearing or congressional approval. Also, the MTD suggests that Congress require all waiver requests to be subject to congressional approval so important policy questions can be considered fully, with all parties able to present their views.

The department will strongly oppose all waivers of the Jones Act because of the harmful effect they will have on national security and the jobs of thousands of American shipyard and shipboard workers.

Other Legislative Battles

The MTD always has supported the AFL-CIO and its member unions in battling for legislation of common benefit to all American workers. Among the most important of these recent efforts have been support of strong pension legislation to assure American workers secure retirements while recognizing the special needs of multi-employer unions in industries such as the construction trades; to seek meaningful trade legislation that would end the export of U.S. jobs and industries to foreign nations and which would protect domestic industries from cut-rate foreign competition; to prevent the destruction of the House Merchant Marine Committee and the Education and Labor Committee in a House reform measure that would have deprived the labor movement and maritime workers, in particular, of a strong committee voice in the House; support of legislation to preserve the Public Health Service Hospitals, and revitalize the U.S. fishing industry which has been the victim of intense foreign competition.

The MTD has also participated in an industry-wide campaign to alert the Congress to the growing danger of Russian naval and merchant marine power, which is already threatening to drive U.S. cargo vessels out of the West Coast trades.

Changes in the MTD Executive Board

Since the last convention, the following changes in membership of the MTD Executive Board have taken place:

Roman Gralewicz was elected as Eastern Area Executive Board member, replacing Leonard McLaughlin.

President George J. Oneto replaced the late President Mort Brandenburg of the Distillery, Rectifying, Wine and Allied Workers' International Union of America.

After many years of dedicated service to the Maritime Trades Department as a member of its Executive Board, General President Martin J. Ward of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada advised the department that the

pressure of other business compelled him to resign from the board and in his place designated his administrative assistant, Dominic L. Carnevale, to serve on the MTD Executive Board representing that union.

President Glenn E. Watts replaced the late President Joseph A. Beirne of the Communications Workers of America.

President Julius Isaacson replaced the late President Louis Isaacson of the International Union of Dolls, Toys, Playthings, Novelties and Allied Products of the United States and Canada.

President Thomas F. Miechur replaced retiring Secretary-Treasurer Reuben H. Roe of the United Cement, Lime and Gypsum Workers International Union.

President Frank Derwin replaced the late President Eugene L. McCabe of the Industrial Union of Marine and Shipbuilding Workers of America.

President John J. McNamara replaced the late President William E. Fredenberger of the International Brotherhood of Firemen and Oilers.

Activities of Port Maritime Councils

The period since the 1973 convention has been one of great activity and productivity for the port councils. They have engaged in exciting and challenging political action and organization and physical growth activities.

The councils, as always, were a major factor in labor's success in a number of crucial local, state and national political contests in their areas. Working with and in support of COPE, the MTD councils made a significant contribution in many federal, state and local elections.

Besides participating in many legislative and government agency meetings held in Washington, the officers of the department have been actively engaged in carrying the story of maritime labor before a wide range of meetings. The port councils have been of special assistance in this mission, frequently sponsoring special meetings and conferences for this purpose.

The port councils of the MTD are dedicated to the advancement of the welfare of maritime workers while at the same time working in behalf of the common interests of the whole trade union movement.

These councils, located on all seacoasts and key lakes and river ports, provide a forum for discussion and implementation of programs for defense and united action. They seek to advance the common cause in endeavors aimed at social, political and economic betterment.

In all of these activities, they have been remarkably successful and are to be congratulated.

Peter M. McGavin

The Maritime Trades Department and the labor movement suffered an irreplaceable loss on July 6, 1975, when Peter M.

McGavin, executive secretary-treasurer of the MTD, died of cancer.

Pete McGavin served the MTD for 15 years and the labor movement faithfully and well for 35 years. Through his long service, he exhibited great qualities of loyalty and dedication, combined with warmth, understanding and affection for the workers he proudly served.

The Maritime Trades Department's officers and staff will miss Pete McGavin whose loss also will be felt by workers everywhere.

AFL-CIO Maritime Committee

The AFL-CIO Maritime Committee continues to work for the betterment of seamen and longshoremen as well as for labor generally. Talmage E. Simpkins is executive director of the Committee with offices located at 100 Indiana Avenue, N.W., Washington, D. C.

Nearly 40 years ago legislation was enacted declaring it to be the policy of the United States to have a U.S. flag merchant fleet sufficient to carry our domestic waterborne commerce and a "substantial portion" of our foreign trade.

A major war, recovery, an historic economic boom, new and broader assistance programs, and the worst slump since the depression of the '30s have occurred and the fleet is worse off now than in many previous periods.

The Merchant Marine Act of 1970 did extend subsidies and other aids beyond just the liner segment, but the share that U.S.-flag ships carry of the country's trade is little more than before.

The U.S.-flag merchant fleet carries our own high standard of living and thus represents higher costs than other maritime nations, but that does not mean it cannot or does not fulfill the most essential functions. We are the largest trading nation in the world, and, yet, these relatively higher costs in shipping are progressively diminishing as compared with competitive nations. However, while we carry less of our own commerce than most any other maritime nation, yet those same foreign countries transport more of our cargo than we ourselves.

U.S.-flag shipping slows the outflow of dollars for foreign-flag shipping services; it employs American workers on board ships and in shipyards; and, is available to the military in emergencies.

Since the last convention, the privately-owned active U.S.-flag fleet has declined to 517 ships of 13 million deadweight tons, down from 574 two years ago. Jobs aboard ship, due to the larger vessels and the highly mechanized types being built, have now shrunk to about 23,000, down more than 3,000 from just a year ago.

There continues to be a large backlog of applications for construction subsidies for nearly 150 ships worth more than $7 billion. Yet, the Administration will not push to build these vessels which would mean jobs.

Congress took the biggest step in 1974 since the Merchant Marine Act of 1970 to give part of our industry the kind of support many other countries lend their merchant marines.

The 93rd Congress was both productive and frustrating. Solid gains were made in the favorable consideration of the oil preference bill, the offshore deepwater port legislation, the marine hospitals and minimum wages. However, there were uneasy moments in the efforts to put the House Merchant Marine and Fisheries Committee out of business and the anti-labor bill that did get through the Senate.

The Energy Transportation Security Act of 1974 (H.R. 8193), passage of which all maritime organizations worked so hard for, was vetoed in December by President Ford.

Oil must continue to be imported and there is no reason why part of that importation should not move in U.S.-flag tankers. This helps the balance of payments, makes our supply line militarily and economically more secure, and helps loosen the control of international oil companies over both the supply of oil and its delivery. Thirty percent of these cargoes for U.S. tankers is below what other countries require and constitutes a reasonable level.

One of the bitterest battles in years was fought out in the House over the future of the total committee structure in that body. A strong reform group initiated this conflict by proposing a major revamping of all committees, including elimination of the Merchant Marine and Fisheries Committee as it exists today.

Not only is this committee vital to the interests of the maritime industry, it has been one of the busiest and most productive in Congress. There was simply no justification for such a reactionary step.

We fought this and managed to help head off the immediate emasculation of this committee. We continued to fight and support the Committee Chairman, our good friend, Congresswoman Leonor K. Sullivan (D-Mo.), and finally defeated that anti-merchant marine proposal and plan.

A substitute revision was finally adopted, which not only preserved the committee, but even added to its jurisdiction by assigning to it authority over international fisheries agreements.

We came out of that fight in better shape, but it was a close call.

In the early months of 1974, further attempts to diminish the Public Health Service hospital program were pursued by the Office of Management and Budget with one or two threatened closings in the offing. Following this, legislation was passed by

the 93rd Congress which requires that Congress must receive prior notice and give its consent before any closings take place.

The Administration's prior attempt to palm off the hospitals on municipalities, states and local organizations proved less than fruitful but the devices of elimination through attrition, patient load consolidation, and excessive contract care are still pursued. Strong opposition to hospital closings not only kept them open but additional monies for improvements were made available.

Offshore deepwater ports are a must. The United States will be importing oil for a long, long time. The very large crude carriers are the ones which will be principally employed and certainly, as many as possible should be under U.S. flag.

We backed necessary legislation to license and regulate these offshore port facilities although there is much we do not favor in the final version worked out.

This was a particularly difficult legislative problem due principally to a serious jurisdictional rivalry between committees in the House and Senate.

As the bill was finally worked out, the Secretary of the Department of Transportation will license the offshore facilities with the Coast Guard, also within the DOT, to regulate them.

The major objection to the bill is a provision that gives coastal states a veto over projects off their shores. This will inhibit their construction and/or simply drive them offshore entirely to nearby foreign areas, such as Canada, where the U.S. would have no control at all and where environmentalists would lose any hope of guarding against pollution from spills.

We have strongly backed the full subsidy requests made by the Maritime Administration for new ship construction and operation. There should be more funds for such purposes. We shall press for more. However, we recognize the Administration's desire to keep expenditures down but we must see to it that cuts are not made at the expense of the job-producing shipyards and merchant fleet.

We have vigorously supported a big increase in funds over and above the $275 million for construction subsidies and the $221.5 million for operating subsidies in each of the past two years—including provisions for nuclear-powered merchant ships. Such ships would not only give our country a big lead over foreign fleets, but would by-pass the high-priced bunker fuel and would, over their useful lives, be cheaper ships to operate.

As vessels get larger and larger, notably tankers, nuclear power makes more and more sense. Our goal must be to make this point and persuade the Administration and the Congress of the wisdom of such a program.

An effort was made in the 93rd Congress to put our right to strike in jeopardy. The bill which passed the Senate was aimed at the Hawaiian-West Coast trade and supposedly was to be limited to that. However, it had dangerous implications and for-

tunately died in the House. This seemingly innocent legislation was similar to others we have had to fight in years past and only demonstrates that labor must always be alert to efforts to take away its rights and gains.

The new, 94th Congress began on a sour note. Not only is the economy at low ebb, but the Administration is proving difficult.

The House Merchant Marine and Fisheries Committee shares our concern about the declining merchant fleet, the shortage of trained crews for emergency situations, the rise of the Russian, state-owned merchant fleet, and the serious question of whether the 1970 Merchant Marine Act is really functioning.

A broad hearing on these and other points is underway. The hearings have attracted wide notice. We have lost no time to make our views known that action must be taken now before our ships are carrying any less cargo and while we still have a merchant marine on which to build the kind of fleet we thought would be produced by the 1970 Act.

Shannon Wall, president of the National Maritime Union of America, testifying before the Subcommittee on Merchant Marine of the House Merchant Marine and Fisheries Committee during oversight hearings, outlined the first step: Spell out in law the goal for a merchant marine, under U.S. flag, with U.S. citizen crews, in terms of how much cargo it should be able to haul. Our major goal for this new Congress will be to get that done.

The so-called "oversight" hearings by the House Merchant Marine Subcommittee are, at this point, an unknown quantity. Virtually all maritime subjects are being opened up. It may be a singular opportunity.

Another front of importance is the Senate's interest in the emergence of the Russians as competitors in world shipping. They are growing in numbers and sizes of ships and they are competitive, cutting rates, and generally disrupting trades at a time when freight is scarce and everybody is scrambling.

However, the Russian state-owned shipping operations do not have to show a profit and do not have to pay their crews like Western countries. There is no union to go to bat for them with the "boss."

The Senate's bill, S. 868 introduced by Senator Daniel K. Inouye (D-Hawaii), would make the Russians, and other outsiders, keep their rates at the same level as those of U.S.-flag operators and the carriers of the countries with which we trade. Many believe this would stop the unfair rate-cutting. We support this effort.

The Jones Act, which reserves our domestic trades for U.S.-flag ships, has always required vigilence. Today is no different. The Virgin Islands enjoy an exemption from this requirement and have been free to use foreign ships. The oil companies have

alertly jumped through this loophole and are moving in. Amerada Hess has a huge refinery there now and is shipping products to the mainland in foreign tankers.

Another refinery is reportedly headed for the islands. We must take steps to close this opening through which job-robbing foreign ships sail through.

We won a not inconsiderable victory early this year by persuading Congress to repeal an important tax benefit long enjoyed by the U.S. owners of foreign-flag ships. Now they must pay taxes currently on their foreign ship earnings, rather than when and if they bring the money home.

And, we have another chance to put a crimp in this fleet under Panamanian, Liberian and Honduran flags in which even the Defense Department, in light of the 1973 cut-off of oil, now has begun to agree with our viewpoint that these vessels just are not reliable, period! They certainly are not reliable enough to base a major part of the country's emergency planning upon.

The periodic renewal of the War Risk Insurance program is before Congress. The House Merchant Marine and Fisheries Committee was not quite willing to cut out all of these foreign-flag ships from this valuable coverage, but it was close and the Maritime Administration was sufficiently concerned to revamp and narrow the foreign-flag coverage of the program. This will come up later in the Senate, and there we may prevail.

We are at the midpoint of the long-range program. There has been little or no improvement in the share of our trade moving in our own ships. We have paid a heavy price in lost jobs for the new technologically-advanced ships which have come on line. The time has come to set a specific percentage number to the concept of "substantial portion" of the country's trade which the law says is supposed to be carried in U.S.-flag ships.

Great hope was placed in the 1970 Merchant Marine Act. It now seems that those who maintained that without assurance of cargo, the 1970 Act would not do anymore than the 1936 Merchant Marine Act were right.

What is clearly needed now—not just to cope with the rising unemployment and the current crisis situation in the industry but for the future as well—is a bottom-to-top new approach.

Maritime programs and related functions are scattered all over the government. None seems adequately related to another. For a start, let us put all promotional and regulatory activities affecting water carriers in one agency. That means regulation authority exercised by the Interstate Commerce Commission of domestic water carriers as well as that of the Federal Maritime Commission over carriers in the foreign trade.

The Coast Guard should also be included with its heavy safety responsibilities and, of course, the Maritime Administration with its promotional and financing functions. Additionally, all the supervision of government cargoes—whether from agriculture,

foreign aid, or the Export-Import Bank—should be vested in this new agency for tight supervision and to assure that waivers of "Ship American" are made only under uniform criteria and then only when absolutely justified. This new all-inclusive agency should also have the jurisdiction over offshore fishing, mining and oil recovery.

Many other countries—with no more serious balance of payments and unemployment problems than we—require portions of their trade to be carried in their own ships. Such vital commodities as oil, bulk ores and general cargo, too, are not unreasonable targets for inclusion under flag preference to assure our carriers of much needed business.

Directly legislated preference can be resorted to and/or, bilateral cargo reservation arrangements can be worked out where applicable. Equal access "sharing" agreements are increasingly common in South American trades and are the one viable means whereby U.S.-flag lines can combat the growing practice of many countries to reserve for their own carriers, substantial portions of their trade.

The excessively profitable ship operations of U.S. oil and other companies under foreign flags should no longer be tolerated. It costs tremendously in every way—lost taxes to Treasury, lost jobs for American workers, loss in our international balance of payments and trade, and lost shipbuilding for U.S. yards.

By eliminating all tax advantages from these huge operations and extending U.S. labor laws to these U.S.-owned vessels regularly plying this country's trades, the so-called "runaway" fleets can be at least shrunken in size. Also, the Justice Department and the Congress should investigate the effect the companies in nc transport services who own their own vessels have had on eliminating competition in these largely bulk trades, making it virtually impossible for the independent operator to survive.

Absolutely no foreign ships should ever be allowed in our domestic trades and these trades have historically been reserved for U.S. flag vessels. There have been numerous "waivers" of this otherwise absolute restriction to the detriment of the merchant marine and the shipbuilding industry.

The Defense Department's Military Sealift Command should also be required to rely on the private merchant marine to the maximum degree thus avoiding undue encroachment from utilization of its own vessels.

Finally, consideration should be given either to closing our liner trades to so-called "Third Flag" carriers, or at the very least, to require them to keep their rates up to the prevailing levels of the national-flag lines in the trade. Air transport, by contrast, is not "wide open" and is subject to bilateral arrangements.

Trade is falling off. We already have nearly two million tons of tankers idle and shipbuilding contracts are on the wane with

building plans being scrapped. The problem is plain. The answers are within reach.

The current patchwork of programs has not produced cargo, a stable competitive environment, or a dependable flow of funds to sustain the promotional legislative enactment of the Congress. A new start must be made. Whether the goal is to develop a U.S.-flag merchant fleet sufficient to carry the "greater portion" of the country's commerce, as the Merchant Marine Act of 1920 laid down, or a "substantial portion," as the 1936 Act required, probably makes little difference.

What does make a difference is that a new, sharper, clearer, more all-inclusive cargo assuring policy must be worked out, necessary implementing legislation enacted, and top officials put in charge to make it work.

Public Employee Department

The Public Employee Department came into existence on November 6, 1974, chartered by the AFL-CIO "to promote the interest and general well being of public employees within the AFL-CIO."

Objects and principles of the department, as defined in the constitution adopted at the PED's founding convention, pledge it—through such trade union activities as assistance in organizing, bargaining, legislative activities, and other appropriate measures—to "encourage all workers . . . to share equally in the full benefits of affiliated unions."

At the convention, President Wm. Howard McClennan of the International Association of Fire Fighters was elected PED president and President Clyde M. Webber of the American Federation of Government Employees was elected treasurer.

As of June 1, 1975, the department consisted of 29 affiliates having a total of 2.4 million members at all levels of government and in the Postal Service.

Formation of the department came at a time when public employees and their unions were facing attacks on their rights as workers and standards of living unparalleled since the Great Depression. Short-sighted state and local government administrations were attempting to ease their financial problems at the expense of their employees—through lay-offs and cutbacks and through attempts to deny employees fair wages and working conditions.

On the federal level, the Ford Administration was attempting to sidestep legal requirements for wage adjustments. Anti-union elements were attempting to use the nation's economic ills as an excuse for destroying government unions, or of preventing unions in the public sector from exercising the rights generally granted to representatives of working people.

The need for strong union representation of government work-

ers is sharply highlighted by the fact that public employee organizations represent the fastest growing sector of the trade union movement in the United States. Even as the Department's Executive Board began to organize its operations, the Board adopted a series of policy statements calling for protection of the rights of public employees. In a series of resolutions, the board called for:

- Obedience to the laws setting federal pay and pension increases.
- Adoption of a "national commitment of major proportions" to restore the quality of life in the cities.
- Enactment of a law protecting the rights of federal employees to union representation, collective bargaining and union security.
- A requirement that local government officials bargain and consult with unions concerning the impact of public service jobs on established working conditions.
- Immediate federal financial assistance to cities and states, so that levels of public service can be maintained.
- Amendment of Hatch Act limitations on political activit of government employees.

And these were just some of the issues on which the PED has taken positions or action in support of members of affiliated unions.

Legislative Activities

From its inception, the department has been active in legislative activities on behalf of, and in coordination with, its affiliates. Some legislative matters on which the PED has worked during its first seven months of life include:

- Legislation to prevent President Ford from placing an artificial "lid" on federal pay and pension increases.
- Major expansion of CETA, the public service jobs program.
- Statutory protection of the right to strike and the right to bargain union security arrangements for Postal Service employees.
- Liberalization of retirement benefits of federal workers.
- Improvement of the Intergovernmental Personnel Act.
- Removal of restrictions on political activities of federal employees.
- Expansion of unemployment compensation insurance coverage to permanently include all state and local employees.
- Payment by the federal government of all premiums for employee health and life insurance for its employees.
- National legislation guaranteeing collective bargaining rights for state and local employees.

Because the Congress this year is making a trial run of its new budgeting procedure, the department concentrated much of its legislative activity on two budget items of immediate, vital importance to public employees. It appears that significant prog-

ress was made in both areas. These were: (1) making sure that federal employees and retirees receive the cost of living pay raises mandated by law, and (2) expansion of the public service jobs programs.

These two items were both important in themselves and as precedent-setting actions that will influence future budget decisions.

PED's concern about the pay ceilings and the need for additional financial aid for city governments was brought to the attention of the Senate and House party leaders by PED President McClennan early in April. On the pay ceiling proposal, he pointed out that no group in the private sector was being asked to make similar sacrifices. In was especially important to fight hard against this proposal both because of its immediate effect on federal employees and its potential effect as an excuse for holding back wages of government employees at other levels.

McClennan also characterized as "foolhardy and dangerous" moves in the Senate to curtail federal aid to cities. These proposals, he said, are "ill-considered measures that will make the recession worse, will do nothing to halt the inflation, and will cause widespread human distress."

The proposed federal budget, as voted by the Congress, took note of the stand of the PED and the AFL-CIO, as well as its affiliates, by providing for full pay raises and increases in federal financial aid to cities and states in the form of CETA and other programs.

The PED intends to pursue vigorously these programs as the Congress deliberates actual appropriations. It appreciates greatly the assistance of the AFL-CIO in these crucial areas.

Wage-Hour Protection Suit

The PED Executive Board launched a concerted drive to defeat attempts by city and state associations to deprive public employees of wage and overtime protection granted them under the Fair Labor Standards Act. In response to the Board's request, many AFL-CIO state and city central bodies urged mayors and governors to withdraw support for a lawsuit which contends the FLSA cannot be extended to cover state and local employees as Congress ordered.

The suit was filed by the National League of Cities and by the National Governors Conference. It claimed that extension of these provisions to public workers would violate the sovereignty of local and state governments.

In response to the PED's alert, several affiliates and the AFL-CIO intervened in the case. They joined suit on the side of the U.S. Department of Labor, which is defending the protection extension provisions. They were bolstered by a legal brief filed in the U.S. Supreme Court by the AFL-CIO noting labor's support of the coverage expansion and pointing out that:

"It is the conviction of the AFL-CIO that working men and women, whether employed by a private or public employer, and whether they have chosen to be represented by their employer or not, deserve a living wage for their labor."

Conclusion

Meanwhile, the PED continues to organize itself and to prepare to offer a full range of services to its affiliates. As the proper staff is assembled, the PED will expand its operations to provide the research, legal, safety, publications, public relations and other services mandated by its constitution.

At present, the PED publishes "In the Public Service," a semimonthly newsletter on PED activities and other matters of interest to its affiliates and their members.

The need of public employees for proper union representation and the need of their unions to continue to press hard in protection of the members' interests is daily made more evident in this time of economic crisis.

Almost daily, reports are received of governmental attempts to lay off workers needed to provide essential public services. Other reports tell of reduced work weeks, forced leave, and attempts to take away from public employees the working conditions and compensation that were achieved only slowly and with the utmost and drawn-out effort.

The attempt by President Ford to illegally withhold from federal employees and pensioners their fair pay increases tells much about the climate under which public employees must try to preserve their working rights.

Attacks on public employee rights seem almost to be constant, in the federal government, in state legislatures, and from anti-union forces that see public employee organizations as tempting targets. After years of effort, federal employees still lack a statutory basis for their right to organize and bargain collectively. Only a few states even come close to providing adequate labor-management relations laws in the public sector. Postal Service employees, too, have need of better protection of their rights as part of the working sector of the nation.

More and more government workers are beginning to realize their need for the militant unity provided by the trade union movement. They are joining unions, and they are demanding results.

The PED, as part of the AFL-CIO, and with the strength imparted to it by its affiliated unions, can be a great force for providing results. Already, we have begun to build an effective, coordinated effort on behalf of public employees. We have received unstinting cooperation from the AFL-CIO's administrative and constitutional departments.

We look to the future with confidence.

Railway Employes' Department

During the past two years, the organizations operating through the Railway Employes' Department have been engaged in national movements to improve the wages and working conditions, and health and welfare benefits of the employes they represent on the railways, both in the United States and Canada.

1974 Wage & Rules Movement

A movement was inaugurated by the shop craft organizations in 1974 after the moratorium in the previous agreement expired, requesting further improvements in wages and working conditions.

The Railway Employes' Department served uniform notices through the System Federations on the various carriers, requesting increases in straight-time wage rates of 20 percent effective January 1, 1975, and a further increase of 15 percent January 1, 1976. Included in this request was a cost-of-living escalator clause, a penalty on deferred payment of wages, improvements in differentials, bereavement leave, employe protection, subcontracting, air hose coupling, inspection and testing of air brakes, and other general improvements.

It was understood that the negotiations on these notices would be conducted through national handling in order to progress our demands in a more organized and rapid fashion.

Accordingly, national conferences between representatives of the four organizations affiliated with the department and the National Railway Labor Conference began. After many days and months of negotiation, substantial progress was made toward reaching a settlement, but no tentative agreement could be reached. Following a brief one-day strike on selected carriers, this dispute was, at the request of the carriers, entered into mediation. The Carriers' Committee served counterproposals that called for the destruction of craft lines, the revision of the 40-hour week and, in addition, proposed eliminating basic agreement rules dealing with force reductions, starting time, assignment of work, transfer of employes, filling of vacancies, change of shifts, wrecker crews, and vacation and holiday rules among other things.

Mediation proceedings were begun by Chairman George S. Ives of the National Mediation Board, and have continued intermittently. As we go to press with this report we are still at an impasse, and no settlement has been reached.

1974 Health & Welfare Movement

A movement was inaugurated by the shop craft organizations in 1974, after the moratorium in the previous agreement expired, requesting further improvements in Health and Welfare Benefits.

On August 1, 1974, the Railway Employes' Department served

uniform notices through the System Federations requesting improvements in the existing hospital, medical, surgical, and life insurance programs. In addition, a request was made for a prepaid family dental care program.

As in the past, the negotiations on these notices were conducted through the cooperating railway labor organization on a national basis.

Accordingly, national negotiations between representatives of this department and other railway labor organizations, and the National Railway Labor Conference were held. After many months of negotiation, a general understanding was arrived at regarding our requests but, as we go to press, no tenative agreement has yet been reached.

Railroad Retirement

Major attention was devoted throughout the last two years to preserving and continuing railroad retirement benefits through the extraordinary efforts of railway labor representatives with the assistance of the AFL-CIO and its affiliates and, in cooperation with representatives of railway management, the Congress of the United States was persuaded to overwhelmingly override President Ford's ill-advised veto of proposed railroad retirement legislation.

Congress in its good judgement enacted into law the restructuring of the Railroad Retirement System effective January 1, 1975. This legislation reflects the recommendations of a joint committee of railroad labor and management representatives. The committee was established at the request of Congress for the purpose of submitting a plan along the lines suggested by a Presidential Study Commission on railroad retirement for restoring the Railroad Retirement System to a sound financial condition. The new law includes some liberalization, as well as cost saving features. Furthermore, the equity of career railroad employes with substantial service is protected.

The new law provides for retirement benefits to qualified employes at age 60 who have completed 30 years of service. The new law also increases the overall minimum guarantee formula from 110% to 130% of the amount Social Security would pay a survivor beneficiary. These new benefits, as well as others, were made possible through a complicated revision of the law which provides for several cost saving elements which will allow the payment of the increased benefits without an increase in the retirement tax due the individual employe.

United States Railroad Association Con-Rail

During the past two years, the department and its affiliated organizations have played an increasingly active role in the formulation and activities of the United States Railroad Association.

The U.S.R.A. was established by the Congress of the United

States to deal with the bankrupt railroads in the Northeast Corridor. It was the intent of Congress that this association study, design, and eventually establish a consolidated rail system for the Northeast. Included in this transportation system are to be the following bankrupt railroads: Ann Arbor, Pennsylvania-Reading Seashore Lines, Central of New Jersey, Erie Lackawanna, Lehigh & Hudson River, Lehigh Valley, Penn Central, and Reading.

In the establishment of the U.S.R.A. railroad labor was able to persuade Congress to include in the enacting legislation protective provisions that will serve to protect employes from the changes in employment which are sure to result from such a Con-Rail System.

The Department and the organizations affiliated with it have been negotiating with Con-Rail an implementing agreement whereby employe representation would be established and the stage set for the negotiation of a complete collective bargaining agreement.

The department in the coming months will increase its activity and participation in the Con-Rail System so as to insure that the employes involved receive the best possible representation.

Canadian Railways

During the past year, the organizations comprising Division No. 4, Railway Employes' Department in Canada, have concluded negotiations which have resulted in what may be the most substantial improvements in wages, working conditions, and health and welfare benefits ever negotiated for the employes represented on the Canadian railways.

The agreement of December 11, 1974 calls for a 15 percent increase in the one-year contract, with an additional $350 lump sum payment made to each employe or a cost-of-living adjustment for the year 1974. In addition, the agreement calls for a cost-of-living escalator clause, shift premiums of 15 cents and 20 cents per hour and increase in vacation benefits, an increase in life insurance benefits from $4,500 to $7,000, improvements in sickness benefits, special shop craft adjustments, and increased pension benefits.

The total value of this contract, including wages and fringe benefit improvements, is 21.83 percent, making it one of the best contracts negotiated in Canada for the year, and the best contract ever negotiated in the history of the Canadian railways.

In addition to the contract settlement, we are pleased to report the reaffiliation of the International Brotherhood of Firemen and Oilers with Division No. 4.

Occupational Safety and Health

We are pleased to report that as a result of the continued efforts of this department and railway labor, the Occupational

Safety and Health field staff, by order of Assistant Secretary of Labor John H. Stender, is now proceeding to schedule and engage in enforcement activities in the railroad industry.

This action taken by the Occupational Safety and Health Administration was due in great part to the strong and aggressive stance taken by this department and the organizations affiliated with it. Prior to the announced policy decision, OSHA had been reluctant to assert its jurisdiction in the railroad industry and had left to the Federal Railroad Administration the task of providing a safe and healthy working environment for railroad employes. The FRA, however, was never up to the task, and in many cases was derelict in its responsibilities in the enforcement of occupational safety and health. It was, therefore, a long sought goal of the department to have the department of Labor-OSHA assert its jurisdiction over the railroads, and we are pleased to report the favorable result.

To this end, however, we are continuing to fight a legislative battle wherein the Department of Transportation-Federal Railroad Administration is seeking to reassert its power and jurisdiction of employe safety and health in the railroad industry. To support and maintain the position of this department, we are strongly supporting and lobbying on behalf of legislation before the Congress which would permanently transfer to the Department of Labor-OSHA, the authority and jurisdiction to protect railroad employes' occupational safety and health.

Emergency Appropriation Act: Railroad Track, Roadbed, and Equipment

As a result of the current national recession, employment of railroad employes engaged in the maintenance of equipment has declined from approximately 117,500 in November of 1974, to 107,000 in March of 1975, a loss of more than 10,000 jobs in less than one year. While employment was decreasing, the state of railroad equipment was also suffering. By March of 1975, almost 10 percent of the entire railroad freight car fleet of this Nation's railroad transportation system was in disrepair.

As a result of the deplorable conditions described, this department and the organizations affiliated with it have taken strong and aggressive action in support of an emergency appropriation from Congress which would provide the funds necessary to reverse this situation.

The president of the department presented a statement to the committees on Commerce and Labor, and Public Welfare in support of Senate bills 967, 1326, and 1436, all of which are designed to provide emergency appropriations for the rebuilding and repair of railroad roadbed, track, and equipment. By taking such action, this department aligned itself in support of other railway labor organizations and received their support for our position in return.

We shall continue to give this proposed legislation high priority as it goes to the essence of the responsibilities this department has to the employes its represents.

Railroad Unemployment and Sickness Insurance

With a benefit payment of $12.70 per day, railroad unemployment and sickness insurance has long been recognized as being woefully inadequate. Constructive efforts were made by this department in recent years to improve the situation, specifically regarding sickness benefits, by the negotiation of a Supplemental Sickness Benefit Plan. However, with unemployment drastically rising, the department was faced with a dramatic example of the inadequacy of the unemployment benefits paid under the Railroad Unemployment Insurance Act.

Accordingly, this department and its affiliated organizations joined with railway labor in supporting legislation pending before the Congress which would raise the benefit levels of both unemployment insurance and sickness insurance to $36 per day, a far more reasonable benefit than the present allowance.

Testimony and lobbying support have been given by this department in an effort to seek congressional action in raising the desired benefit level. We are pleased to report that our efforts have received a positive response from the Congress and we have reason to believe that the benefits now being provided will be greatly improved. This department will continue to be aggressive and forceful on this issue until we are satisfied that the unemployment and insurance benefits that will be provided to the employes represented are reasonable and adequate.

Rock Island Bankruptcy

In the months just prior to this report, the Rock Island Railroad became insolvent and placed itself under the protection of the bankruptcy statutes. In the events leading up to this insolvency, this department took action on multiple fronts in its effort to protect the interests of the employes of this carrier.

First, prior to the bankruptcy this department joined in an effort to secure congressional support for financial aid to the carrier, as well as seeking loan assistance from the United States Railroad Association. In addition, the department reaffirmed its commitment to the employes by re-emphasizing the protective conditions that would apply in the event that the interests of the Rock Island were to be divided up among other various railroads. If such an event does indeed occur, the employes affected would be covered by previously negotiated protective conditions.

Second, after the carrier did in fact file for bankruptcy protection, the department increased its efforts in appealing to the Congress for financial assistance and, failing this, seeking the inclusion of the Rock Island into the Con-Rail system. While this effort proceeded, the department continued its ongoing policy of

assuring the employes that whatever the eventual result, those affected would be covered under previously negotiated protective conditions, or new conditions that would be sought from and afforded by the Interstate Commerce Commission.

As events unfold, this department will remain viligant in its efforts to insure that all employes will receive adequate and reasonable protection.

Urban Mass Transit—Chicago Regional Transit Authority

This department has long advocated the building and expansion of modern mass transit systems for the metropolitan areas of this country. To that end, this department vigorously fought for and supported the establishment of a Regional Transit Authority for the Chicago Metropolitan Area.

The department advocated and lobbied on behalf of the enacting legislation in the Illinois Legislature, and included in those efforts a position favoring the inclusion of protective labor provisions in the legislation. We were successful on both issues, as the legislature passed a Regional Transit Authority Act which included in its provisions labor protection.

Following the legislature's approval, however, the RTA had to be approved by the citizens of the Chicago Metropolitan Area. To afford a successful conclusion to our efforts, this department joined with all of labor in the Chicago area in launching a massive educational campaign to inform the voters of the area of the benefits that could be derived from such a Regional Transit System.

We are pleased to report that the RTA was approved by the citizens of the Chicago area, and that we are now proceeding to implement the protective labor provisions through the negotiation of agreements covering the employes represented.

Union Label and Service Trades Department

Since the 1973 convention of the AFL-CIO Union Label and Service Trades Department in Bal Harbour, Fla., the trade union movement has seen a virtual rebirth of union labelism. This revitalization can be graphically traced to the action program formulated at the 1973 convention.

During the past two years, the department has worked to implement the convention's action program by dedicating its physical and financial resources to alerting both union members and the general public to the necessity of utilizing union products and union services. This entailed the promotion of consumer boycotts and a program geared to alerting trade unionists, their families and the general public to the continued dangers inherent in the foreign trade crisis.

The department is also aware that anti-union managements, under the phony guise of patriotism is using the ailing economy as an excuse, are exerting greater pressure to destroy unions. In this context the department has continued its program of promotion and vigilance against these attempts.

Thus, the department is implementing its programs through the vehicles of the internal publications of affiliated unions and through various other promotional programs outlined in this report.

As noted during the 1973 convention of the AFL-CIO Union Label and Service Trades Department, this all-out campaign to deflect and diminish the rising tide of anti-unionism must be expanded and increased in the months and years ahead.

New Affiliates

The Union Label and Service Trades Department, aware of its constitutional charge to aid union members, their unions and the products and services they offer on an ever-broadening base, has engaged in a concerted effort to demonstrate the advantages of affiliation to every trade union organization. By attuning itself to the ever-changing outlook of unions which have resulted in dramatic changes in the approach to and outcome of specific programs, the department has been able to function as an ever-growing part of the AFL-CIO.

As the trade union movement itself has grown in the past two years, the federation's Union Label and Service Trades Department has reflected that growth.

With the growth in numbers has come a growth in outlook—a search of the horizons so that the growing affiliates have developed enthusiasm for all trade union concepts including fostering and nurturing the union label message and spreading that message to the rank-and-file.

With this interest and concern has come cooperation toward achieving greater security for members, the full portion of unionism and the unification of all trade union organizations to help each other achieve the ultimate goal of all trade unionists: an improved life style for all American workers and their families.

The past two years have also seen mergers of several organizations so that these united, merged unions could attune themselves to the 1970s and thus serve their memberships in a more updated manner. These merged organizations, too, reflect the awareness of the importance of the union label message and have maintained as merged organizations their loyalty to the union label and service trades concept.

New affiliates during the past two years are the International Association of Heat and Frost Insulators and Asbestos Workers, which affiliated in January 1975; the International Association of Marble, Slate and Stone Polishers, Rubbers and Sawyers, Tile and Marble Setters Helpers and Terrazzo Helpers, which affiliated

in January 1975, and the International Union of Elevator Constructors, which affiliated in February 1975.

Two major organizations which have reaffiliated are the International Chemical Workers Union, on March 1, 1975, and the United Brick and Clay Workers of America in January 1975.

Merged organizations that have remained affiliated with the department as new AFL-CIO affiliated unions are the merged Cigar Makers' International Union of America, which became a part of the Retail, Wholesale and Department Store Union as of August 6, 1974. Also on the proud roster of unions affiliated with the department is the newly formed International Printing and Graphic Communications Union, the result of a merger between the International Stereotypers, Electrotypers and Platemakers Union with the International Printing Pressmen and Assistants' Union of North America. That merger was effected in October 1973.

In other activity, the AFL-CIO revoked the charter of the International Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers in October 1973.

As this report was written, the Union Label and Service Trades Department had a total of 87 national and international unions affiliated with it. This makes the department the largest constitutional entity among all departments of the AFL-CIO.

In the years ahead, the department intends to continue its commitment to bring those remaining unaffiliated unions into the department so that they, too, may participate in the great crusade to provide a full measure of security to all union members. This, the department believes, can be done most effectively by promoting the increasing demand for union goods and services and by protecting the members' hopes and aspirations for a decent life during working hours by covering them with the protective umbrella of the department's consumer boycott program during strike actions.

New Board Member

On February 17, 1974 the department Executive Board elected Thomas F. Murphy, president, Bricklayers, Masons and Plasterers International Union of America, as 7th Vice President to replace Vice President Arthur P. Gildea. The revocation of the International Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers' charter by action of the AFL-CIO automatically made the international union ineligible to continue its affiliation with our department thus making it mandatory that Vice President Gildea relinquish his office.

"Do Not Buy" List

A major tool used by the department, with the cooperation of affiliated unions, is the department's consumer boycott program as implemented through publication and dissemination of the

"Do Not Buy" list. During the next two years the department will place ever greater emphasis and importance in this critical area of its program.

In order to insure that the "Do Not Buy" list remains the historically effective weapon it has evolved into, the department's Executive Board has determined that affiliated unions seek approval of the AFL-CIO Executive Council for new additions to the list.

This determination has proved most helpful. It insures that overuse of the boycott weapon has not dulled that weapon's effectiveness. It has also resulted in ascertaining that no other unions are involved in any given dispute, or, if they are, they are given the opportunity to voice approval of any boycott request.

Because every labor-management dispute has its own peculiar problems, its own special nuances and shadings peculiar to each specific industry involved, the department maintains a flexible approach to the overall boycott program. Because of these differences which arise from the peculiar problems in each craft or industry, the department's experience has been that no two boycott programs can be or are alike.

Because the success of the boycott program has generated a constant outpouring of requests for other boycotts, the department in the past two years has refined and expanded the boycott program. These refinements had as a primary goal the aspect of selectivity so that the most effectiveness could result.

Consumer Boycotts

The consumer boycott program in the past two years has resulted in some outstanding successes and involved the department in some of its most complicated, serious and worthwhile endeavors.

In response to the gallant struggle by workers represented by the United Farm Workers of America against the powerful interests of the California growers, the AFL-CIO Executive Council on May 9, 1974, endorsed the consumer product boycott of table grapes and lettuce which do not bear the Farm Workers' Label.

The response to that boycott has been gratifying. All across the country, affiliated national and international unions, state and city central bodies, union label and service trades councils, women's auxiliaries, and others of good will have participated in the department's program on behalf of the Farm Workers.

The department, with a major assist from the labor press, has carried the boycott weapon to the growers. The public as consumers have made their collective voice against these growers felt in the marketplace across the nation.

Special efforts have been made to publicize the consumer boycott against table grapes and lettuce that does not bear the Farm Workers' label during the times when these farm products are being harvested and prepared for market.

As a result of the department's activities, leaflets announcing the boycott have been distributed to thousands of consumers around the country. Support of the boycott has also spread to Canada and to European countries where grapes and lettuce have been exported for sale.

Meanwhile, highly effective boycott programs have also been in effect against the R & G Sloane Manufacturing Corporation, Sun Valley, Calif., and the Rowe Furniture Company, Poplar Bluff, Mo.

During the past two years, the consumer boycott against R & G Sloane has been a top priority object in the department. Local 621 of the United Rubber, Cork, Linoleum and Plastic Workers of America were forced to begin a strike against that company in March 1973. The company has refused to bargain in good faith and instead of recognizing the ravages of inflation upon its workers has been and is seeking to reduce the wages of those workers.

Along with the anti-worker growers, the R & G Sloane Manufacturing Corporation leads the department's "Do Not Buy" list.

The department's official boycott against the Rowe Furniture Company of Poplar Bluff, Missouri, began in February 1974. The Upholsterers' International Union of North America, which had been certified as collective bargaining agent for Rowe employees in Poplar Bluff in 1972, has been unable to get the company to bargain in good faith. Attempts at anything more than surface bargaining have been rejected by the company, leading to a strike which began in July 1973. The company has replaced its workers with strikebreakers and continues to refuse to bargain in good faith.

Since the last convention, the consumer boycott against the R. J. Reynolds Tobacco Company, producers of Winston, Salem, Camels, Doral, More and Vantage cigarettes and Winchester Small Cigars and Prince Albert Smoking Tobacco has been stepped up through a massive promotional campaign. Using decals, bumper stickers and handbills, the department has broadened public support for the consumer boycott in cooperation with the Tobacco Workers International Union.

To counter the anti-labor, strikebreaking tactics of Dal-Tex Optical Company of Dallas, Texas, at the request of the International Union of Electrical, Radio and Machine Workers, the AFL-CIO Executive Council adopted a resolution declaring the company "unfair to its employees and to organized labor and a threat to conditions of employment in union shops." The department has since implemented the council's support for a "don't buy" campaign and is working to implement the consumer boycott against the company's eyeglasses, frames and other products and services.

The department is also spearheading the drive by the Distillery, Rectifying and Allied Workers' International Union by including the Stitzel-Weller Distilleries on its consumer boycott

list. The company produces Old Fitzgerald, Cabin Still, Old Elk, and W. L. Weller products.

Another ongoing consumer boycott on which the department is concentrating is the concerted action against Kingsport Press of Kingsport, Tennessee. The department is placing special emphasis upon such books as "World Book," "Childcraft," and other school textbooks and encyclopedia published by the firm. The printing crafts involved in this long (1963) dispute with the anti-union company continues. Encyclopedia Britannica and Britannica Jr. also continue on the consumer boycott list in connection with the Kingsport strike.

Another boycott of national importance involving the printing trades unions is against the Los Angeles Herald-Examiner, part of the Hearst newspaper chain. The publisher has engaged in many anti-worker tactics, including the use of strikebreakers.

In addition to these ongoing consumer boycott endeavors, the department has achieved many victories for union workers which have resulted in the removal of various companies from the "Do Not Buy" lists.

One of the highly publicized campaigns involved Farah Company's five plants in the Southwest. The consumer products boycott against Farah clothing was credited with being a major weapon in the successful 21-month battle by the Amalgamated Clothing Workers for decent wages, conditions and union recognition for Farah employees in those five plants.

When the long battle ended in union recognition, the Amalgamated Clothing Workers issued a statement which noted: "We are grateful to the millions of American consumers who during the strike declined to buy Farah slacks made under non-union conditions. The withholding of their buying power was a major factor in helping bring about the Farah settlement."

Other companies where consumer boycotts were lifted after settlements were the Boyer Candy Company (Bakery and Confectionery Workers); Square D Electric Company, (International Brotherhood of Electrical Workers); Mono Company, (International Association of Machinists and Aerospace Workers); Aladdin Industries, (United Steelworkers); Sam Moore Chair Company, (United Furniture Workers); and Metlox Company, (International Brotherhood of Pottery and Allied Workers).

Universal Union Label

The department continues its program of assistance to all affiliated national and international unions to promote their respective insignia and organization in all ways each affiliate deems necessary. Any international or national union may apply and the department is ready and able to make available information and procedures for adopting the "Universal Label."

Historically, the idea of a universal label dates back to the early years of the century. In 1909, a resolution outlining the basics of a universal label for trade union members was first

presented. Since that time, at various times and in various places similar resolutions have been offered; but have failed because they were found to be impractical to implement. The department stands ready now as in the past to work toward implementation of such a goal if this concept can be translated through the interest of all affiliates into a realistic and workable trade union tool.

Rising Imports

The threat of rising imports not only continues but will be accentuated as further sharp tariff reductions are shaping up. Under the new Trade Law of 1974 tariffs may be cut as much as 60 percent and in other instances reduced to zero. This prospect under present unemployment levels and depressed economy cannot be viewed without great concern.

Organized labor's best interests are at stake. Jobs are the life blood of labor welfare and indeed of the whole economy. Rising imports of consumer goods of all kinds have already produced havoc in industry after industry in this country. Further tariff-cutting will aggravate what is already a source of unemployment.

We may not be able to halt the dismantling of what is left of our tariff or the lifting of import quotas through legislation, at least for the present. The best and most effective defense remaining to us is the vigorous support of efforts to spread awareness of the union label and the resolve to patronize the manufacturers, shops, services and establishments that are entitled to and use the union label.

By following this resolve we can be sure that the goods we buy are made by labor employed in this country.

The Union Label and Service Trades Department exists for this very purpose. During its 66 years of life it has aimed at promotion of the consumption of union-made goods and union services. Now more than ever before the need to patronize the products of our members is clear.

While we will continue to combat further tariff reductions that will increase our exposure to deadly import competitions, we should make full use of the weapon mentioned that is in our own hands. This needs a new resolve and effort but the alternative in job displacement by rising imports makes this effort imperative.

Union-Industries Show

Memphis, Tenn., was host to the 1974 Union-Industries Show at which more than 400 exhibits were displayed in the center of "right-to-work" states. Some 204,000 visitors received an opportunity to see the work of union craftsmen at this 29th show and received labor's proud message that skilled, unionized labor produces top-notch, top-line goods and services.

In cooperation with local trade unionists, who helped make the show a stellar occasion, a formidable list of dignitaries added to

the success of the show. These dignitaries included AFL-CIO Secretary-Treasurer Lane Kirkland, Environmental Protection Agency Administrator Russell E. Train, and Douglas Dorman, Vice President for Labor Relations of the Martin Marietta Corporation. International Representative Thomas Powell of the Meat Cutters' Union represented the Memphis AFL-CIO. The enthusiasm of the members of this organization was yet another factor in the show's great success.

The 1975 labor-management exposition was held in Milwaukee, Wis., at that city's new Convention Hall, MECCA. Again with the cooperation of local union leadership, the 1975 show was highly successful with record-breaking crowds in attendance and with a long list of dignitaries attending. The show featured more than 400 colorful exhibits and nearly $100,000 in free prizes, gifts and souvenirs for the many thousands who attended.

Chartered Union Label and Service Trade Councils

Another ongoing project the department is occupied with is the evaluation of the chartered councils' program. There are presently chartered 104 councils throughout the nation and are direct recipients of the Union Label and Service Trades Department's program and serve as extensions of the national department in various regions and local areas. They are assigned to carry out the department's objectives and programs and involve themselves in any local projects that circumstances dictate.

The department is attempting to eliminate those councils which are not meeting the requirements and rules outlined for any reason. The department believes that by a sensitive and sweeping study of all councils this process will make for effective utilization of those councils that are serving a meaningful purpose.

The department has found that active councils are a vital and utilitarian liaison between the department in Washington and consumer boycott program implementation at regional and local levels.

The department will continue to stress molding of stronger existing councils rather than place priority on chartering new ones. In this way, the present chartered council concept will accept quality rather than quantity at the expense of quality.

Lesson Plans on the Union Label

The new edition of the Lesson Plans on the Union Label pamphlet depicting all the union labels, shop cards, store cards and service buttons of the national and international unions affiliated with the department has been exceptionally well received during the past two years.

The chief difference between the most recent edition of the publication and the earlier one is in its approach. The approach provided in the later edition involves a major educational piece

adopted from the New York United Teachers which had originally used it in the union's magazine, The New York Teacher.

During the past two years this has helped generate new and deeper understanding of the union label program. The department is working with all concerned to make this pamphlet available to schools in all parts of the nation.

AFL-CIO Auxiliaries

At the 1973 AFL-CIO National Auxiliaries Convention, action was taken to open the membership roles to the families of all union members. This was done to share with all working people in organized labor and their families the unlimited resources available through participation in the National Auxiliary program. It is up to us as Auxiliary members to protect and extend American democracy and promote a better understanding among peoples at all economic levels of the problems confronting organized labor.

Our Auxiliaries represent a legion of educated voters. In 1974, by attending area COPE conferences and 100 percent paticipation in "Dollars for COPE," they shared in the victory which labor enjoyed at the polls in the election of labor endorsed candidates. Legislation favorable to the cause of organized labor and the betterment of family life are supported by the Auxiliaries in extensive letter writing campaigns to the Congress.

As members of the Women's Committee of the President's Committee on Employment of the Handicapped, Auxiliary members will be mobilized to participate in the Project Volunteer Power Program, whose basic objective is maximizing opportunities for handicapped men and women so that they may become contributing members of society. This action project will promote job needs of the handicapped by making cities and citizens cognizant of the inadequate facilities at the disposal of handicapped persons.

Membership in the National Safety Council has resulted in the adoption of meaningful Safety Programs as a definite part of the yearly agenda. Thus, Auxiliaries are afforded an opportunity to share and become involved in safety community action programs. Our monthly programs bring proper safety practices and procedures into the homes and minds of thousands of Americans. Safety on the job, on the streets, and in the home are emphasized.

Auxiliaries have always paid the highest tribute to the distinguished emblems of organized labor by promoting and publicizing their importance as a symbol of excellence and quality of product. The plight of the striking union worker is relayed to the general public through the informational picket lines of the marching Auxiliary member. Recognition was given for participation which was said to be instrumental in bringing recent boycotts to a successful conclusion among them: Shell, Oneida Knitting Mills and Farah. Currently we are supporting the

United Farm Workers of America in their boycott of grapes and lettuce. The massive purchasing power within the Auxiliaries, if mobilized and united in effort, could force anti-union products off the market and save American jobs.

A great service to the community are the consumer education programs sponsored by local Auxiliaries. Such programs are geared to enlighten and invite the participation of the general public as well as the union family.

Space does not permit us to itemize all phases of community service in which Auxiliary members are involved. However, in recognition of community service, an award is given at each convention to the Auxiliary volunteer whose dedication and hours of service toward making her community a better place in which to live is outstanding.

We have chosen as the theme for our 1975 Convention, "We stand at the Crossroads—If it's to be—It's up to me."

We regret to say that the passing of each dedicated local Auxiliary leader brings into sharper focus the apparent deterioration of union auxiliaries throughout the country. With the average age of Auxiliary members said to be about 70, attrition is rapidly reducing our ranks. Unless younger members start replacing them, within the foreseeable future there will be no Auxiliaries. For an organization capable of being so helpful to the unions they support, and with a history of service to the labor movement that is a matter of record, this is a disastrous outlook.

As we see it, the answer lies in a change of attitude of union leaders toward the Auxiliaries and a drive by Auxiliaries to enroll the younger members. We must awaken to the reality that if unions and Auxiliaries unite their efforts toward a common goal, a new era of achievement will be reached which will benefit not only the labor movement but all mankind.

Conclusion

The two years since the last convention have been particularly difficult for America—double-digit inflation and unemployment, Watergate, a bankrupt foreign policy, increased human suffering.

As this report demonstrates, the AFL-CIO has continued to be an effective, clear and militant voice for workers, for reason, for compassion.

To carry out its duties as the AFL-CIO governing body between conventions, the Executive Council met nine times: In 1973, October 23, Bal Harbour, Fla.; in 1974, February 18-25, Bal Harbour; May 9, Washington, D.C.; August 5-6, Chicago, Ill.; November 7, Washington; in 1975, January 23, Washington; February 17-24, Bal Harbour; May 6, Washington; July 30-31, Chicago. In addition, the General Board met on January 23, 1975 in Washington.

The Executive Council submits this account of its stewardship and analysis of the problems facing the labor movement and America to the delegates to this Eleventh Constitutional Convention of the AFL-CIO. We trust it will guide them in charting labor's course in the crucial period ahead.

GEORGE MEANY, *President*

LANE KIRKLAND, *Secretary-Treasurer*

EXECUTIVE COUNCIL

JOSEPH D. KEENAN	RICHARD F. WALSH	LEE W. MINTON
PAUL HALL	I. W. ABEL	HUNTER P. WHARTON
PAUL JENNINGS	MAX GREENBERG	JOHN H. LYONS
A. F. GROSPIRON	MATTHEW GUINAN	C. L. DENNIS
PETER BOMMARITO	PETER FOSCO	THOMAS W. GLEASON
FREDERICK O'NEAL	FLOYD E. SMITH	LOUIS STULBERG
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C. L. DELLUMS	FRANCIS S. FILBEY	GLENN E. WATTS

LOCAL 3036 COLLECTIVE BARGAINING AGREEMENT IN EFFECT IN 1975
EXCERPTS

Section 3. The Employer has the right to adopt reasonable rules and regulations and administer the same, subject to the grievance and arbitration procedures.

ARTICLE IV
UNION SECURITY

Section 1. Each employee who, on the effective date of this Agreemen is a member of the Union and each employee who becomes a member of the Union and each employee who becomes a member after that date shall, as a condition of employment, maintain his membership in the Union.

Section 2. Each employee hired on or after the effective date of this Agreement shall, as a condition of employment, beginning on the thirtieth (30th) calendar day following the beginning of such employment or the effective date of this Agreement, whichever is later, acquire and maintain membership in the Union.

Section 3. This provision is to apply to all employees covered by this Agreement.

Section 4. In the event an employee does not become a member of the Union after the thirtieth (30th) calendar day following the beginning of such employment in the industry, the Employer shall discharge such employee upon receipt of written notice from the Union advising that such employee has been employed in the industry more than thirty (30) days.

Section 5. Each Employer shall furnish to the Union, once a month, a list of all new employees covered by this Agreement, hired by such Employer during the preceding month.

Section 6. Insofar as permitted by law, an employee delinquent in dues payment shall lose all benefits under this Agreement during the tenure of said delinquency.

ARTICLE V
CHECK-OFF

The Employer will deduct from the wages of all drivers and inside men all dues, back dues, initiation fees and assessments required to be paid by the employees to the Union upon the condition that the Union furnish the Employer, in due and proper form in conformity with the provisions of the Taft-Hartley Act and amendments thereto, authorization cards in writing duly executed by the employees permitting such deductions. Such deductions shall be made from the pay check due each employee for the first full pay period of each month when dues are due,

AFL-CIO DIRECTLY AFFILIATED LOCAL UNION RULES AS AMENDED THROUGH 1960(YELLOW COPY)

Rules

Governing Directly Affiliated Local Unions

Issued by

THE EXECUTIVE COUNCIL

of

THE AMERICAN FEDERATION OF LABOR and CONGRESS OF INDUSTRIAL ORGANIZATIONS

AFL-CIO Publication No. 14

Adopted by the Executive Council of the AFL-CIO on February 14, 1956 as amended August 13, 1957, September 24, 1959 and February 16, 1960.

RULES GOVERNING DIRECTLY AFFILIATED LOCAL UNIONS

Name

1. Henceforth all local unions directly affiliated with the AFL-CIO shall be known as Directly Affiliated Local Unions.

Status of These Rules

2. These rules are issued by the Executive Council of the American Federation of Labor and Congress of Industrial Organizations pursuant to the provisions of Article XV of the Constitution of the AFL-CIO, and supersede the rules adopted on February 14, 1956 and as amended August 13, 1957. These rules may be amended at any time by the Executive Council of the AFL-CIO. In case of conflict between these rules and the AFL-CIO Constitution, the latter shall control.

Local Constitutions and Bylaws

3. Directly Affiliated Local Unions shall adopt or retain their own constitutions and or bylaws, which shall be consistent with the Constitution of the AFL-CIO and with these rules. In case of conflict, the AFL-CIO Constitution and these rules shall control; and the President of the AFL-CIO may at any time require any Directly Affiliated Local Union to amend its constitution or bylaws in order to bring them into conformity with the provisions of these rules or of the Constitution of the AFL-CIO. It is required that the constitution or bylaws of each Directly Affiliated Local Union incorporate the substance of Rules 29 through 36, set out below. Two copies of the constitution and bylaws of each Directly Affiliated Local Union, and of all subsequent changes therein, shall be sent to the President of the AFL-CIO for his approval.

Charters

4. **Local Unions Formerly Affiliated with the AFL or CIO.** All Local Trade and Federal Labor Unions which were affiliated with

the AFL on December 5, 1955, and all Local Industrial Unions which were affiliated with the CIO on that date automatically continue to exist as local unions directly affiliated with the AFL-CIO. Charters or certificates of affiliation heretofore issued by the AFL or CIO to such unions are deemed to be AFL-CIO charters subject to these rules.

5. **New Local Unions.** Charters may be issued to new Directly Affiliated Local Unions by the President of the AFL-CIO on behalf of the Executive Council, provided that such charters shall not be issued in conflict with the jurisdiction of national or international unions affiliated with the AFL-CIO, except with the written consent of such unions. Each new Directly Affiliated Local Union shall, upon the issuance of a charter, pay to the Federation the sum of $15.00.

6. **Affiliation with Central Bodies.** Each Directly Affiliated Local Union is instructed to join appropriate state and local central bodies.

Initiation Fees and Dues

7. **Initiation Fees.** Directly Affiliated Local Unions shall charge initiation fees of not less than two dollars and fifty cents ($2.50), and, except with the written permission of the President of the AFL-CIO, not more than fifteen dollars ($15.00). One dollar and fifty cents ($1.50) of each initiation fee charged by a Directly Affiliated Local Union shall be forwarded to the Secretary-Treasurer of the AFL-CIO at the same time as the monthly per capita payment.

8. **Dues.** Directly Affiliated Local Unions shall require their members to pay dues of not less than two dollars and fifty cents ($2.50) per month. Each Directly Affiliated Local Union shall pay to the AFL-CIO a per capita tax of one dollar and fifty cents ($1.50) per month per member, such tax to be paid for each month on or before the 15th day of the succeeding month. Any member who is three months or more in arrears in

payment of dues or assessments shall be automatically suspended from all rights and privileges of membership. Suspended members may be reinstated only upon the payment of three months' back dues, in addition to the dues for the current month, and a fee of one dollar ($1.00) for reinstatement stamp.

9. **Exoneration.** The Executive Council may exonerate any Directly Affiliated Local Union from the payment of per capita tax or assessments due to the Federation for any month upon its being shown to the satisfaction of the Executive Council that good cause therefor exists.

10. **Reports.** Each Directly Affiliated Local Union shall forward to the Secretary-Treasurer of the AFL-CIO, at the same time as the monthly per capita tax payment, a monthly report, on a form to be supplied by the Secretary-Treasurer, giving the number of members paid for, such other information as may be required by the Secretary-Treasurer relating to membership, and a complete statement of all funds received and expended by the local union.

AFL-CIO Defense Fund

11. **Continuation and Contributions.** The Defense Fund for Local Trade and Federal Labor Unions of the American Federation of Labor shall be continued as a defense fund for Directly Affiliated Local Unions of the AFL-CIO, and 15 cents of the per capita tax payment of each Directly Affiliated Local Union shall be set aside in such fund unless otherwise ordered by the Executive Council.

12. **Eligibility of Individuals for Benefits.** No member of a Directly Affiliated Local Union shall be entitled to receive strike benefits from the AFL-CIO defense fund unless both the individual member seeking such benefits and the local to which he belongs have been in continuous good standing with the AFL-CIO for at least one year.

13. **Availability of Defense Fund to Support Strikes.** Except when otherwise ordered by the Executive Council, the defense fund shall be available to support strikes or lockouts of Directly Affiliated Local Unions only when such strikes or lockouts are authorized, endorsed, and conducted in strict conformity with the provisions of rules 14-19. Further, no local union shall be entitled to receive benefits from the AFL-CIO defense fund unless the local union requires its members to pay at least two dollars and fifty cents ($2.50) per month dues, and unless it sets aside for the maintenance of a local defense fund at least five cents ($.05) a month per member.

14. **Authorization by President.** In the event of a disagreement between a Directly Affiliated Local Union and an employer which, in the opinion of the local union, may result in a strike, the union shall notify the President of the AFL-CIO. The President or, at his option, his designee, shall thereupon look into the matter and endeavor to adjust the difficulty. If these efforts prove futile, and if the President shall decide that a strike is necessary he shall authorize the local union to order a strike.

15. **Strike Vote.** When a strike has been authorized by the President of the AFL-CIO, the president of the Directly Affiliated Local Union shall, within twenty-four hours, call a meeting of the union to take a strike vote. Only members in good standing shall vote. If, but only if, a majority of the members present vote to strike, the president of the local union may call a strike. In that event he shall immediately notify the President of the AFL-CIO of the initiation of the strike, and of the number of members who may be eligible for the benefits provided in rule 16.

16. **Strike Benefits.** When a strike has been called in accordance with the provisions of rules 14 and 15, the AFL-CIO shall pay to the treasurer of the Directly Affiliated Local Union involved, or his order, an

amount equal to twenty dollars ($20.00) per week for each member eligible to receive strike benefits. Benefits shall not be paid for the first two weeks of the strike; but shall be paid weekly thereafter for the duration of the strike or for 10 weeks, whichever is shorter. The President of the AFL-CIO shall have the power to authorize the payment of strike benefits for additional periods.

17. **Disqualification for Benefits.** No member of a Directly Affiliated Local Union on strike shall be entitled to weekly benefits unless he reports daily to the proper officer of the local union while the strike continues, and no member who shall receive a week's work, three days to be a week, shall receive benefits for that week. Any member refusing temporary work while on strike (providing said work is not in conflict with labor's interests) shall not be entitled to strike benefits.

18. **Lockouts.** In case of a lockout, the President of the AFL-CIO may authorize the payment of benefits if, upon investigation, he finds that the Directly Affiliated Local Union did not unwarrantedly provoke the lockout.

19. **Strike Reports.** During the continuance of a strike or lockout the executive board of the local union shall make weekly reports to the President of the AFL-CIO, showing the amount of money distributed for benefits and to whom paid, and shall furnish to the President individual receipts from all members to whom benefits have been paid, and such other information as the President may require.

Disciplinary Action: Dissolution

20. **Violation of AFL-CIO Constitution, Rules and Policies.** The President of the AFL-CIO is authorized to take disciplinary action against a Directly Affiliated Local Union or any officer thereof if any such local union or officer violates or fails to comply

with any of the provisions of the Constitution of the AFL-CIO or of these rules, or of the constitution or bylaws of the local union, or engages in financial malpractice or corruption, or embezzlement or misappropriation of union funds, or in any activity or course of conduct which is contrary or detrimental to the welfare or the best interests of the AFL-CIO or the local union, or in the case of a local union, if it fails to conform its policies to the policies of the AFL-CIO. Such disciplinary action may include, in the case of a local union, the suspension or revocation of its charter or certificate of affiliation, the dissolution of the local union, the suspension or removal of any of its officers, and the establishment of a trusteeship over the affairs and property of the local union. A trusteeship shall be established only for the purpose of correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objects of the AFL-CIO or the local union. In the case of an officer of a Directly Affiliated Local Union, such disciplinary action may include the suspension or removal of the officer from local union office and his expulsion from membership.

21. **Notice and Hearing.** Except in case of emergency as hereafter provided, the local union or officer involved shall, before disciplinary action is taken, be given written notice of the charges, a reasonable time to prepare a defense, and be afforded a full and fair hearing, either by the President of the AFL-CIO or by a person or persons designated by him to act for him as a hearing officer or officers. In the latter event, such hearing officer or officers shall, as soon as practicable after the close of the hearing, make a report and recommendations in writing to the President. In all cases the President of the AFL-CIO shall make the decision, and take such disciplinary action as he finds

to be appropriate, if any. The decision of the President shall be subject to appeal as provided in rule 22, but shall be in full force and effect unless or until reversed or modified.

In case of emergency, where in the opinion of the President the interests of the local union or of the AFL-CIO so require, the President is empowered to suspend officers of and establish a trusteeship over the affairs and property of a Directly Affiliated Local Union prior to the notice and hearing provided for in this rule. In such cases, notice shall be given and a hearing shall be conducted as soon as practicable after the emergency action, but in no event later than 40 days following such action, unless a postponement of such hearing is granted by the President upon request.

22. Appeals. Any disciplinary action taken by the President of the AFL-CIO under these rules may be appealed by the local union or officer involved to the Executive Council of the AFL-CIO. Notice of any such appeal shall be filed in writing with the Secretary-Treasurer of the AFL-CIO within 30 days after transmittal of the President's decision. Appellants shall have the right to appear before the Executive Council. The Executive Council may affirm, reverse, or modify the decision of the President. The decision of the Executive Council on any appeal taken pursuant to this rule may be further appealed to the next succeeding convention of the AFL-CIO. Notice of any such further appeal shall be filed in writing with the Secretary-Treasurer at least 30 days prior to the opening of the convention. An appellant shall have the right to appear before any appeals committee of the convention and, except in the case of an individual appellant, shall have the right to appear before the convention itself. An individual appellant shall have the right to appear before the convention itself only with the convention's consent. During the pendency of any appeal under this rule, from either a decision of the President or of the Executive

Council, the decision appealed from shall remain in full force. The convention may affirm, reverse, or modify the decision of the Executive Council.

23. **Trusteeship.** In any case where the President of the AFL-CIO appoints a trustee to take charge of and conduct the affairs of a local union, such trustee shall have the right, in the name of the AFL-CIO, upon demand, to all of the funds, properties, books and assets, the charter or certificate of affiliation, and the seal, of the suspended local union, and shall hold such funds and properties in trust for the benefit of the local union, to be expended only in the proper conduct of its affairs. The President may also appoint temporary officers to serve under the supervision of a trustee. A trustee appointed under this rule may be removed, with or without cause, by the President at any time.

24. **Revocation or Dissolution.** Whenever the charter or certificate of affiliation of a Directly Affiliated Local Union is revoked, or whenever such a local union is voluntarily dissolved, all funds, properties, books and assets, the charter or certificates of affiliation, and the seal, of such local union shall revert to the AFL-CIO and shall, upon demand, be turned over to a duly authorized representative of the President of the AFL-CIO. The AFL-CIO will hold all such funds, properties, books and assets in trust for an appropriate length of time with a view to the reconstitution of the defunct local union. If the Executive Council of the AFL-CIO decides that the reconstitution of the defunct local union is not feasible, then such funds, properties, books and assets shall be subject to such disposition as the Executive Council may determine. No Directly Affiliated Local Union shall disband or dissolve except with the approval of the President of the AFL-CIO.

25. **Reimbursement of Expenses.** Whenever a demand is made under these rules or the Constitution of the AFL-CIO for the

funds, properties, books and assets, the charter or certificate of affiliation, or the seal of any Directly Affiliated Local Union, and such demand is refused, then all expenses of whatever nature incurred in recovering such funds, properties, books and assets, the charter or certificate of affiliation, and the seal, shall be paid by the local union and shall be lawful charge upon the property and funds involved.

26. **Trustees.** Each Directly Affiliated Local Union shall have not less than three trustees, who shall hold any real property of the local union in trust for the local union; unless a corporation shall have been organized for the purpose of holding property of the local union, and in that event such trustees shall hold the stock of such corporation and shall serve as the sole directors of such corporation as trustees for the local union. The trustees shall be elected at the same time and in the same manner as the officers of the local union.

27. **Bonding.** All officers, employees and agents of any Directly Affiliated Local Union who handle funds or other property thereof shall be covered by an appropriate bond through the Secretary-Treasurer of the AFL-CIO. The premiums for such coverage shall be paid by the AFL-CIO. Upon the discovery of any irregularity or deficiency in the accounts or transactions of a Directly Affiliated Local Union or of any officer, employee or agent thereof, the officers or other persons making the discovery shall immediately report such irregularity or deficiency to the Secretary-Treasurer of the AFL-CIO.

28. **Financial Practices, Audits.** Directly Affiliated Local Unions shall follow such financial practices and procedures as shall be prescribed by the Secretary-Treasurer of the AFL-CIO to insure that their funds and properties will be safeguarded and will be expended only for authorized purposes. The Secretary-Treasurer of the AFL-CIO may require any local union to amend its financial

practices and procedures to this end. The Secretary-Treasurer may, with the assistance of the Auditing Department of the AFL-CIO or otherwise, make an annual audit of all books, accounts, records and financial transactions of any Directly Affiliated Local Union, including any welfare, retirement or other beneficial plan of such Directly Affiliated Local Union or to which it is a party; and may make such an audit at more frequent intervals at his discretion. Directly Affiliated Local Unions shall turn over all books, records, accounts and information necessary to make any such audit to the Secretary-Treasurer of the AFL-CIO or his duly authorized representative. If an audit reveals that any irregularities have taken place, then the President of the AFL-CIO shall be authorized to take appropriate remedial or disciplinary action under these rules. Each Directly Affiliated Local Union shall retain for a period of not less than seven years all books, accounts and records of its financial transactions.

Required Provisions

(It is required that the constitution or bylaws of each Directly Affiliated Local Union incorporate the substance of rules 29 through 36.)

Local Union Meetings

29. The constitution or bylaws of each Directly Affiliated Local Union shall provide for regular general membership meetings at reasonable intervals, and shall include, or adopt by reference, reasonable rules pertaining to the conduct of meetings. Each member in good standing of a local union shall have equal rights to vote in union elections or referendums, to attend membership meetings, and, subject to its rules pertaining to the conduct of meetings, to participate in the deliberations and voting upon the business of the meeting; except that if a local union includes members from different shops, or departments, its constitution or bylaws may provide for separate shop or

department elections, referendums, and meetings in addition to the general membership elections, referendums, and meetings. The constitution or bylaws of each local union shall prohibit any member from engaging in any speech or activity disloyal to the local union or to the AFL-CIO as an institution, such as advocating secession from the organization or adherence to a rival organization, but shall not interfere with the right to engage in criticism of the officers of the local union or of the AFL-CIO.

Local Union Elections

30 **Rules for Local Union Elections.** Each Directly Affiliated Local Union shall provide in its constitution or bylaws selection of delegates to the AFL-CIO Convention, and for the election of officers and members of governing bodies, their duties, and their terms of office, which shall not exceed three years for any one term. The officers shall include the president, vice president, secretary, treasurer, members of the executive board or similar governing body, and any other positions designated as officers in the local union's constitution or bylaws, but a union may, with the approval of the President of the AFL-CIO, combine offices. The following rules shall be mandatory in local union elections.

(1) The local union constitution or bylaws shall specify the date on which elections shall be held, and also the hours during which the polls shall be open, and the polling place or places.

(2) Nominations shall be made not less than 30 days before the election date. Every member in good standing shall have equal rights to nominate candidates. The secretary of the local union shall be responsible for seeing to it that the membership is given advance notice of the offices to be filled and of the time for making nominations. Such notice shall be given in a manner reasonably calculated to reach the membership, such as announcement at

the preceding meeting, and posting on plant bulletin boards, and in sufficient time to permit the members to nominate candidates.

(3) The local union shall select an Election Committee by vote of the members by secret ballot at least 30 days before the election date. The Election Committee shall supervise the holding of the election, and it shall be responsible for insuring that the local union complies with the provisions of these rules with regard to the conduct of elections. No candidate may be a member of the Election Committee.

(4) Every member in good standing of the local union shall be eligible to be a candidate for and to hold office, subject to reasonable qualifications uniformly imposed and subject to the restrictions set forth below. No individual shall serve as an officer, trustee, member of the Executive Board or similar governing body, or any other committee, or as a delegate from, or as a business agent, manager, organizer, or other employee of, any Direct Affiliated Local Union, who is or who within the preceding five years has been a member of the Communist Party, any fascist organization, or other totalitarian movement, or who consistently pursues policies or activities directed toward the achievement of the program or purposes of the Communist Party, any fascist organization or other totalitarian movement; or who within the preceding five years has been convicted of robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotics laws, murder, rape, assault with intent to kill, assault which inflicts grievous bodily injury, or a violation of Title II or III of the Labor-Management Reporting and Disclosure Act of 1959, or conspiracy to commit any such crime.

(5) The Election Committee shall comply with all reasonable requests of any candidate to distribute campaign litera-

ture, by mail or otherwise, to all members at the candidate's expense. It shall not discriminate among candidates with respect to the distribution of campaign literature, or any charge therefor, or with respect to the use of membership lists. If the local union has a union security clause in its collective bargaining agreement, then every bona fide candidate shall be permitted upon request to inspect the membership list once within 30 days before the election, but not the right to copy the list.

(6) No union or employer funds may be used to promote the candidacy of anyone for union office. Union funds may be used for notices and other expenses necessary for the holding of an election.

(7) Not less than 15 days prior to the election, notice of the election shall be mailed to each member at his last known home address.

(8) Officers shall be elected by secret ballot.

(9) Every member in good standing shall be entitled to one vote in all union elections. No voting by proxy shall be permitted.

(10) Each candidate shall have the right to have an observer at the polls and at the counting of the ballots.

(11) No member whose dues have been withheld by his employer pursuant to a check-off arrangement shall be declared ineligible to vote or to be a candidate for office by reason of delay or default in the payment of dues.

(12) Immediately upon completion of the election, the Election Committee shall prepare a written signed report showing the number of votes cast for each candidate for each office. This report shall be presented to the secretary of the local union, together with the ballots and all other

records pertaining to the election. The secretary shall preserve the ballots and reports for a period of one year.

(13) The secretary shall immediately communicate to the members the report of the Election Committee. Any member in good standing of the local union may appeal from the report of the Election Committee to the President, and finally to the Executive Council, of the AFL-CIO, as provided in rule 36, but the report of the Election Committee shall be presumed valid and shall be given effect, unless suspended by the President of the AFL-CIO, pending decision on any appeal.

Local Union Finances

31. **Assessments and Increases in Initiation Fees or Dues.** A local union may levy assessments or increase its initiation fees or dues only by majority vote of the members by secret ballot, either (1) at a general or special membership meeting, held after reasonable advance notice of intention to vote on the question at that meeting; or (2) in a membership referendum.

32. **Expenditures.** Each local union shall set forth in its constitution or bylaws the procedure by which expenditure of its funds is to be authorized. The funds of the local union shall be expended only pursuant to such procedure, and shall be used only for the legitimate expenses of the local union and in furtherance of the objectives of the local union and of the AFL-CIO.

33. **Reversion of Assets to the AFL-CIO.** The constitution or bylaws of each Directly Affiliated Local Union shall provide that whenever the charter or certificate of affiliation of the local union is revoked, or whenever the local union is voluntarily dissolved, all funds, properties, books and assets, the charter or certificates of affiliation, and the seal, of such local union shall revert to the AFL-CIO and shall, upon demand, be turned over to a duly authorized representative of the President of the AFL-CIO.

Local Union Disciplinary Proceedings

34. **Grounds for Discipline.** The constitution or bylaws of each Directly Affiliated Local Union shall make provision for the discipline of any local union official or member who violates or fails to comply with any of the provisions of the AFL-CIO Constitution, or of these rules, or of the constitution or bylaws of the local union, or who engages in financial malpractice or corruption, or embezzlement or misappropriation of union funds, or in conduct unbecoming an officer or member of the union, or in any activity or course of conduct which is contrary or detrimental to the welfare or best interests of the AFL-CIO or the local union. A local union shall not, however, discipline any member merely on account of the expression of any views, arguments or opinions unless the expression of such views, arguments or opinions violates the responsibility of the member toward the local union or the AFL-CIO as an institution. A local union shall not discipline any member on account of his participation as a party or witness in any judicial, administrative, or legislative proceeding, unless such member acted at the instigation or encouragement of an interested employer or employer association, or unless such member failed to exhaust hearing procedures within the local union and the AFL-CIO for a period of four months before instituting legal or administrative proceedings against the local union or the AFL-CIO or any officer of either. Such disciplinary action may include the suspension or removal of a local union official from union office, the expulsion from union membership of an official or member, or other penalty which is appropriate in the light of the circumstances.

35. **Procedure.** The constitution or bylaws of each Directly Affiliated Local Union shall prescribe the procedures to be followed in disciplinary proceedings under rule 34. These procedures shall provide that no disci-

plinary action shall be taken except for nonpayment of dues, unless the officer or member has been (1) served with written specific charges, (2) given a reasonable time to prepare his defense, and (3) afforded a full and fair hearing. Any officer or member against whom disciplinary action is taken by a local union may appeal the decision under rule 36, but during the pendency of any appeal the decision appealed from shall remain in full force and effect, unless stayed by the President of the AFL-CIO.

Appeals from Local Union Election Committee Reports or Disciplinary Proceedings

36. Any member of a local union may appeal from a report of a local union Election Committee to the President of the AFL-CIO; and any officer or member against whom disciplinary action is taken by a local union may appeal to the President of the AFL-CIO. Such appeal must be filed in writing with the President of the AFL-CIO within 30 days after notice of the report or of the action being appealed. The decision of the President may thereafter be appealed to the AFL-CIO Executive Council. Any such appeal to the Executive Council shall be filed in writing with the Secretary-Treasurer of the AFL-CIO within 30 days after notice of the President's decision. The decision of the Executive Council shall be final.

Transfer of Directly Affiliated Local Unions to National and International Unions, AFL-CIO

37. All Federal Labor Unions and Local Industrial Unions will continue to exist as local unions directly affiliated with the AFL-CIO. The AFL-CIO Constitution points out that the integrity of each Directly Affiliated Local Union shall be maintained and preserved. This means that Directly Affiliated Local Unions can remain as such as long as they so desire. It must be understood, however, that Directly Affiliated Locals can voluntarily agree to transfer their affiliation to

the National or International Union if they so desire. *This step should be taken only where there is some definite similarity as to the type of workers organized by the National Union concerned.*

Directly Affiliated Local Unions contemplating transferring to a National or International Union must take the following steps:

1. A thirty (30) day posted notice on all bulletin boards so that all members are advised of the contemplated transfer.

2. Notice to the President of the AFL-CIO when the thirty (30) day notice has been posted for the membership.

3. The vote as to whether or not to transfer must be by secret ballot and supervised by at least two Organizers of the AFL-CIO Organization Staff, appointed by the Regional Director in the particular area.

4. A complete audit of the books of the Directly Affiliated Local Union must be made prior to transfer so that all accounts with the AFL-CIO can be cleared up if a transfer should be approved by the membership of the Directly Affiliated Local Union.

AFL-CIO DIRECTLY AFFILIATED LOCAL UNION RULES AS AMENDED THROUGH 1973(ORANGE COPY)

Rules

Governing Directly Affiliated Local Unions

Issued by

THE EXECUTIVE COUNCIL

of

THE AMERICAN FEDERATION OF LABOR and CONGRESS OF INDUSTRIAL ORGANIZATIONS

Adopted by the Executive Council of the AFL-CIO on February 14, 1956 as amended August 13, 1957, September 24, 1959, February 16, 1960 and August 1, 1973.

AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS

815 16th STREET N.W., WASHINGTON, D.C. 20006

GEORGE MEANY,
President

LANE KIRKLAND,
Secretary-Treasurer

Publication No. 14

RULES GOVERNING DIRECTLY AFFILIATED LOCAL UNIONS

Name

1. Henceforth all local unions directly affiliated with the AFL-CIO shall be known as Directly Affiliated Local Unions.

Status of These Rules

2. These rules are issued by the Executive Council of the American Federation of Labor and Congress of Industrial Organizations pursuant to the provisions of Article XV of the Constitution of the AFL-CIO, and supersede the rules adopted on February 14, 1956 and as amended August 13, 1957. These rules may be amended at any time by the Executive Council of the AFL-CIO. In case of conflict between these rules and the AFL-CIO Constitution, the latter shall control.

Local Constitutions and Bylaws

3. Directly Affiliated Local Unions shall adopt or retain their own constitutions and/or bylaws, which shall be consistent with the Constitution of the AFL-CIO and with these rules. In case of conflict, the AFL-CIO Constitution and these rules shall control; and the President of the AFL-CIO may at any time require any Directly Affiliated Local Union to amend its constitution or bylaws in order to bring them into conformity with the provisions of these rules or of the Constitution of the AFL-CIO. It is required that the constitution or bylaws of each Directly Affiliated Local Union incorporate the substance of Rules 29 through 36, set out below. Two copies of the constitution and bylaws of each Directly Affiliated Local Union, and of all subsequent changes therein, shall be sent to the President of the AFL-CIO for his approval.

Charters

4. Local Unions Formerly Affiliated with the AFL or CIO. All Local Trade and Federal Labor Unions which were affiliated with

the AFL on December 5, 1955, and all Local Industrial Unions which were affiliated with the CIO on that date automatically continue to exist as local unions directly affiliated with the AFL-CIO. Charters or certificates of affiliation heretofore issued by the AFL or CIO to such unions are deemed to be AFL-CIO charters subject to these rules.

5. **New Local Unions.** Charters may be issued to new Directly Affiliated Local Unions by the President of the AFL-CIO on behalf of the Executive Council, provided that such charters shall not be issued in conflict with the jurisdiction of national or international unions affiliated with the AFL-CIO, except with the written consent of such unions. Each new Directly Affiliated Local Union shall, upon the issuance of a charter, pay to the Federation the sum of $15.00.

6. **Affiliation with Central Bodies.** Each Directly Affiliated Local Union is instructed to join appropriate state and local central bodies.

Initiation Fees and Dues

7. **Initiation Fees.** Directly Affiliated Local Unions shall charge initiation fees of not less than three dollars ($3.00), and, except with the written permission of the President of the AFL-CIO, not more than fifteen dollars ($15.00). Two dollars ($2.00) of each initiation fee charged by a Directly Affiliated Local Union shall be forwarded to the Secretary-Treasurer of the AFL-CIO at the same time as the monthly per capita payment.

8. **Dues.** Directly Affiliated Local Unions shall require their members to pay dues of not less than three dollars ($3.00) per month. Each Directly Affiliated Local Union shall pay to the AFL-CIO a per capita tax of two dollars ($2.00) per month per member, such tax to be paid for each month on or before the 15th day of the succeeding month. Any member who is three months or more in arrears in payment of dues or assessments shall

be automatically suspended from all rights and privileges of membership. Suspended members may be reinstated only upon the payment of three months' back dues, in addition to the dues for the current month, and a fee of one dollar ($1.00) for reinstatement stamp.

9. **Exoneration.** The Executive Council may exonerate any Directly Affiliated Local Union from the payment of per capita tax or assessments due to the Federation for any month upon its being shown to the satisfaction of the Executive Council that good cause therefor exists.

10. **Reports.** Each Directly Affiliated Local Union shall forward to the Secretary-Treasurer of the AFL-CIO, at the same time as the monthly per capita tax payment, a monthly report, on a form to be supplied by the Secretary-Treasurer, giving the number of members paid for, such other information as may be required by the Secretary-Treasurer relating to membership, and a complete statement of all funds received and expended by the local union.

AFL-CIO Defense Fund

11. **Continuation and Contributions.** The Defense Fund for Local Trade and Federal Labor Unions of the American Federation of Labor shall be continued as a defense fund for Directly Affiliated Local Unions of the AFL-CIO, and 20 cents of the per capita tax payment of each Directly Affiliated Local Union shall be set aside in such fund unless otherwise ordered by the Executive Council.

12. **Eligibility of Individuals for Benefits.** No member of a Directly Affiliated Local Union shall be entitled to receive strike benefits from the AFL-CIO defense fund unless both the individual member seeking such benefits and the local to which he belongs have been in continuous good standing with the AFL-CIO for at least one year.

13. **Availability of Defense Fund to Support Strikes.** Except when otherwise ordered by the Executive Council, the defense fund shall be available to support strikes or lockouts of Directly Affiliated Local Unions only when such strikes or lockouts are authorized, endorsed, and conducted in strict conformity with the provisions of rules 14-19. Further, no local union shall be entitled to receive benefits from the AFL-CIO defense fund unless the local union requires its members to pay at least three dollars ($3.00) per month dues, and unless it sets aside for the maintenance of a local defense fund at least five cents ($.05) a month per member.

14. **Authorization by President.** In the event of a disagreement between a Directly Affiliated Local Union and an employer which, in the opinion of the local union, may result in a strike, the union shall notify the President of the AFL-CIO. The President or, at his option, his designee, shall thereupon look into the matter and endeavor to adjust the difficulty. If these efforts prove futile, and if the President shall decide that a strike is necessary he shall authorize the local union to order a strike.

15. **Strike Vote.** When a strike has been authorized by the President of the AFL-CIO, the president of the Directly Affiliated Local Union shall, within twenty-four hours, call a meeting of the union to take a strike vote. Only members in good standing shall vote. If, but only if, a majority of the members present vote to strike, the president of the local union may call a strike. In that event he shall immediately notify the President of the AFL-CIO of the initiation of the strike, and of the number of members who may be eligible for the benefits provided in rule 16.

16. **Strike Benefits.** When a strike has been called in accordance with the provisions of rules 14 and 15, the AFL-CIO shall pay to the treasurer of the Directly Affiliated Local Union involved, or his order, an

amount equal to twenty-five dollars ($25.00) per week for each member eligible to receive strike benefits. Benefits shall not be paid for the first two weeks of the strike; but shall be paid weekly thereafter for the duration of the strike or for 10 weeks, whichever is shorter. The President of the AFL-CIO shall have the power to authorize the payment of strike benefits for additional periods.

17. **Disqualification for Benefits.** No member of a Directly Affiliated Local Union on strike shall be entitled to weekly benefits unless he reports daily to the proper officer of the local union while the strike continues, and no member who shall receive a week's work, three days to be a week, shall receive benefits for that week. Any member refusing temporary work while on strike (providing said work is not in conflict with labor's interests) shall not be entitled to strike benefits.

18. **Lockouts.** In case of a lockout, the President of the AFL-CIO may authorize the payment of benefits if, upon investigation, he finds that the Directly Affiliated Local Union did not unwarrantedly provoke the lockout.

19. **Strike Reports.** During the continuance of a strike or lockout the executive board of the local union shall make weekly reports to the President of the AFL-CIO, showing the amount of money distributed for benefits and to whom paid, and shall furnish to the President individual receipts from all members to whom benefits have been paid, and such other information as the President may require.

Disciplinary Action: Dissolution

20. **Violation of AFL-CIO Constitution, Rules and Policies.** The President of the AFL-CIO is authorized to take disciplinary action against a Directly Affiliated Local Union or any officer thereof if any such local union or officer violates or fails to comply

with any of the provisions of the Constitution of the AFL-CIO or of these rules, or of the constitution or bylaws of the local union, or engages in financial malpractice or corruption, or embezzlement or misappropriation of union funds, or in any activity or course of conduct which is contrary or detrimental to the welfare or the best interests of the AFL-CIO or the local union, or in the case of a local union, if it fails to conform its policies to the policies of the AFL-CIO. Such disciplinary action may include, in the case of a local union, the suspension or revocation of its charter or certificate of affiliation, the dissolution of the local union, the suspension or removal of any of its officers, and the establishment of a trusteeship over the affairs and property of the local union. A trusteeship shall be established only for the purpose of correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objects of the AFL-CIO or the local union. In the case of an officer of a Directly Affiliated Local Union, such disciplinary action may include the suspension or removal of the officer from local union office and his expulsion from membership.

21. **Notice and Hearing.** Except in case of emergency as hereafter provided, the local union or officer involved shall, before disciplinary action is taken, be given written notice of the charges, a reasonable time to prepare a defense, and be afforded a full and fair hearing, either by the President of the AFL-CIO or by a person or persons designated by him to act for him as a hearing officer or officers. In the latter event, such hearing officer or officers shall, as soon as practicable after the close of the hearing, make a report and recommendations in writing to the President. In all cases the President of the AFL-CIO shall make the decision, and take such disciplinary action as he finds

to be appropriate, if any. The decision of the President shall be subject to appeal as provided in rule 22, but shall be in full force and effect unless or until reversed or modified.

In case of emergency, where in the opinion of the President the interests of the local union or of the AFL-CIO so require, the President is empowered to suspend officers of and establish a trusteeship over the affairs and property of a Directly Affiliated Local Union prior to the notice and hearing provided for in this rule. In such cases, notice shall be given and a hearing shall be conducted as soon as practicable after the emergency action, but in no event later than 40 days following such action, unless a postponement of such hearing is granted by the President upon request.

22. **Appeals.** Any disciplinary action taken by the President of the AFL-CIO under these rules may be appealed by the local union or officer involved to the Executive Council of the AFL-CIO. Notice of any such appeal shall be filed in writing with the Secretary-Treasurer of the AFL-CIO within 30 days after transmittal of the President's decision. Appellants shall have the right to appear before the Executive Council. The Executive Council may affirm, reverse, or modify the decision of the President. The decision of the Executive Council on any appeal taken pursuant to this rule may be further appealed to the next succeeding convention of the AFL-CIO. Notice of any such further appeal shall be filed in writing with the Secretary-Treasurer at least 30 days prior to the opening of the convention. An appellant shall have the right to appear before any appeals committee of the convention and, except in the case of an individual appellant, shall have the right to appear before the convention itself. An individual appellant shall have the right to appear before the convention itself only with the convention's consent. During the pendency of any appeal under this rule, from either a decision of the President or of the Executive

Council, the decision appealed from shall remain in full force. The convention may affirm, reverse, or modify the decision of the Executive Council.

23. **Trusteeship.** In any case where the President of the AFL-CIO appoints a trustee to take charge of and conduct the affairs of a local union, such trustee shall have the right, in the name of the AFL-CIO, upon demand, to all of the funds, properties, books and assets, the charter or certificate of affiliation, and the seal, of the suspended local union, and shall hold such funds and properties in trust for the benefit of the local union, to be expended only in the proper conduct of its affairs. The President may also appoint temporary officers to serve under the supervision of a trustee. A trustee appointed under this rule may be removed, with or without cause, by the President at any time.

24. **Revocation or Dissolution.** Whenever the charter or certificate of affiliation of a Directly Affiliated Local Union is revoked, or whenever such a local union is voluntarily dissolved, all funds, properties, books and assets, the charter or certificates of affiliation, and the seal, of such local union shall revert to the AFL-CIO and shall, upon demand, be turned over to a duly authorized representative of the President of the AFL-CIO. The AFL-CIO will hold all such funds, properties, books and assets in trust for an appropriate length of time with a view to the reconstitution of the defunct local union. If the Executive Council of the AFL-CIO decides that the reconstitution of the defunct local union is not feasible, then such funds, properties, books and assets shall be subject to such disposition as the Executive Council may determine. No Directly Affiliated Local Union shall disband or dissolve except with the approval of the President of the AFL-CIO.

25. **Reimbursement of Expenses.** Whenever a demand is made under these rules or the Constitution of the AFL-CIO for the

funds, properties, books and assets, the charter or certificate of affiliation, or the seal of any Directly Affiliated Local Union, and such demand is refused, then all expenses of whatever nature incurred in recovering such funds, properties, books and assets, the charter or certificate of affiliation, and the seal, shall be paid by the local union and shall be lawful charge upon the property and funds involved.

26. **Trustees.** Each Directly Affiliated Local Union shall have not less than three trustees, who shall hold any real property of the local union in trust for the local union; unless a corporation shall have been organized for the purpose of holding property of the local union, and in that event such trustees shall hold the stock of such corporation and shall serve as the sole directors of such corporation as trustees for the local union. The trustees shall be elected at the same time and in the same manner as the officers of the local union.

27. **Bonding.** All officers, employees and agents of any Directly Affiliated Local Union who handle funds or other property thereof shall be covered by an appropriate bond through the Secretary-Treasurer of the AFL-CIO. The premiums for such coverage shall be paid by the AFL-CIO. Upon the discovery of any irregularity or deficiency in the accounts or transactions of a Directly Affiliated Local Union or of any officer, employee or agent thereof, the officers or other persons making the discovery shall immediately report such irregularity or deficiency to the Secretary-Treasurer of the AFL-CIO.

28. **Financial Practices, Audits.** Directly Affiliated Local Unions shall follow such financial practices and procedures as shall be prescribed by the Secretary-Treasurer of the AFL-CIO to insure that their funds and properties will be safeguarded and will be expended only for authorized purposes. The Secretary-Treasurer of the AFL-CIO may require any local union to amend its financial

practices and procedures to this end. The Secretary-Treasurer may, with the assistance of the Auditing Department of the AFL-CIO or otherwise, make an annual audit of all books, accounts, records and financial transactions of any Directly Affiliated Local Union, including any welfare, retirement or other beneficial plan of such Directly Affiliated Local Union or to which it is a party; and may make such an audit at more frequent intervals at his discretion. Directly Affiliated Local Unions shall turn over all books, records, accounts and information necessary to make any such audit to the Secretary-Treasurer of the AFL-CIO or his duly authorized representative. If an audit reveals that any irregularities have taken place, then the President of the AFL-CIO shall be authorized to take appropriate remedial or disciplinary action under these rules. Each Directly Affiliated Local Union shall retain for a period of not less than seven years all books, accounts and records of its financial transactions.

Required Provisions

(It is required that the constitution or bylaws of each Directly Affiliated Local Union incorporate the substance of rules 29 through 36.)

Local Union Meetings

29. The constitution or bylaws of each Directly Affiliated Local Union shall provide for regular general membership meetings at reasonable intervals, and shall include, or adopt by reference, reasonable rules pertaining to the conduct of meetings. Each member in good standing of a local union shall have equal rights to vote in union elections or referendums, to attend membership meetings, and, subject to its rules pertaining to the conduct of meetings, to participate in the deliberations and voting upon the business of the meeting; except that if a local union includes members from different shops, or departments, its constitution or bylaws may provide for separate shop or

department elections, referendums, and meetings in addition to the general membership elections, referendums, and meetings. The constitution or bylaws of each local union shall prohibit any member from engaging in any speech or activity disloyal to the local union or to the AFL-CIO as an institution, such as advocating secession from the organization or adherence to a rival organization, but shall not interfere with the right to engage in criticism of the officers of the local union or of the AFL-CIO.

Local Union Elections

30. **Rules for Local Union Elections.** Each Directly Affiliated Local Union shall provide in its constitution or bylaws selection of delegates to the AFL-CIO Convention, and for the election of officers and members of governing bodies, their duties, and their terms of office, which shall not exceed three years for any one term. The officers shall include the president, vice president, secretary, treasurer, members of the executive board or similar governing body, and any other positions designated as officers in the local union's constitution or bylaws, but a union may, with the approval of the President of the AFL-CIO, combine offices. The following rules shall be mandatory in local union elections.

(1) The local union constitution or bylaws shall specify the date on which elections shall be held, and also the hours during which the polls shall be open, and the polling place or places.

(2) Nominations shall be made not less than 30 days before the election date. Every member in good standing shall have equal rights to nominate candidates. The secretary of the local union shall be responsible for seeing to it that the membership is given advance notice of the offices to be filled and of the time for making nominations. Such notice shall be given in a manner reasonably calculated to reach the membership, such as announcement at

the preceding meeting, and posting on plant bulletin boards, and in sufficient time to permit the members to nominate candidates.

(3) The local union shall select an Election Committee by vote of the members by secret ballot at least 30 days before the election date. The Election Committee shall supervise the holding of the election, and it shall be responsible for insuring that the local union complies with the provisions of these rules with regard to the conduct of elections. No candidate may be a member of the Election Committee.

(4) Every member in good standing of the local union shall be eligible to be a candidate for and to hold office, subject to reasonable qualifications uniformly imposed and subject to the restrictions set forth below. No individual shall serve as an officer, trustee, member of the Executive Board or similar governing body, or any other committee, or as a delegate from, or as a business agent, manager, organizer, or other employee of, any Direct Affiliated Local Union, who is or who within the preceding five years has been a member of the Communist Party, any fascist organization, or other totalitarian movement, or who consistently pursues policies or activities directed toward the achievement of the program or purposes of the Communist Party, any fascist organization or other totalitarian movement; or who within the preceding five years has been convicted of robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotics laws, murder, rape, assault with intent to kill, assault which inflicts grievous bodily injury, or a violation of Title II or III of the Labor-Management Reporting and Disclosure Act of 1959, or conspiracy to commit any such crime.

(5) The Election Committee shall comply with all reasonable requests of any candidate to distribute campaign literature, by mail or otherwise, to all members at the candidate's expense. It shall not discriminate among candidates with respect to the distribution of campaign literature, or any charge therefor, or with respect to the use of membership lists. If the local union has a union security clause in its collective bargaining agreement, then every bona fide candidate shall be permitted upon request to inspect the membership list once within 30 days before the election, but not the right to copy the list.

(6) No union or employer funds may be used to promote the candidacy of anyone for union office. Union funds may be used for notices and other expenses necessary for the holding of an election.

(7) Not less than 15 days prior to the election, notice of the election shall be mailed to each member at his last known home address.

(8) Officers shall be elected by secret ballot.

(9) Every member in good standing shall be entitled to one vote in all union elections. No voting by proxy shall be permitted.

(10) Each candidate shall have the right to have an observer at the polls and at the counting of the ballots.

(11) No member whose dues have been withheld by his employer pursuant to a check-off arrangement shall be declared ineligible to vote or to be a candidate for office by reason of delay or default in the payment of dues.

(12) Immediately upon completion of the election, the Election Committee shall prepare a written signed report showing the number of votes cast for each candidate for each office. This report shall be presented to the secretary of the local union, together with the ballots and all other

records pertaining to the election. The secretary shall preserve the ballots and reports for a period of one year.

(13) The secretary shall immediately communicate to the members the report of the Election Committee. Any member in good standing of the local union may appeal from the report of the Election Committee to the President, and finally to the Executive Council, of the AFL-CIO, as provided in rule 36, but the report of the Election Committee shall be presumed valid and shall be given effect, unless suspended by the President of the AFL-CIO, pending decision on any appeal.

Local Union Finances

31. **Assessments and Increases in Initiation Fees or Dues.** A local union may levy assessments or increase its initiation fees or dues only by majority vote of the members by secret ballot, either (1) at a general or special membership meeting, held after reasonable advance notice of intention to vote on the question at that meeting; or (2) in a membership referendum.

32. **Expenditures.** Each local union shall set forth in its constitution or bylaws the procedure by which expenditure of its funds is to be authorized. The funds of the local union shall be expended only pursuant to such procedure, and shall be used only for the legitimate expenses of the local union and in furtherance of the objectives of the local union and of the AFL-CIO.

33. **Reversion of Assets to the AFL-CIO.** The constitution or bylaws of each Directly Affiliated Local Union shall provide that whenever the charter or certificate of affiliation of the local union is revoked, or whenever the local union is voluntarily dissolved, all funds, properties, books and assets, the charter or certificates of affiliation, and the seal, of such local union shall revert to the AFL-CIO and shall, upon demand, be turned over to a duly authorized representative of the President of the AFL-CIO.

Local Union Disciplinary Proceedings

34. **Grounds for Discipline.** The constitution or bylaws of each Directly Affiliated Local Union shall make provision for the discipline of any local union official or member who violates or fails to comply with any of the provisions of the AFL-CIO Constitution, or of these rules, or of the constitution or bylaws of the local union, or who engages in financial malpractice or corruption, or embezzlement or misappropriation of union funds, or in conduct unbecoming an officer or member of the union, or in any activity or course of conduct which is contrary or detrimental to the welfare or best interests of the AFL-CIO or the local union. A local union shall not, however, discipline any member merely on account of the expression of any views, arguments or opinions unless the expression of such views, arguments or opinions violates the responsibility of the member toward the local union or the AFL-CIO as an institution. A local union shall not discipline any member on account of his participation as a party or witness in any judicial, administrative, or legislative proceeding, unless such member acted at the instigation or encouragement of an interested employer or employer association, or unless such member failed to exhaust hearing procedures within the local union and the AFL-CIO for a period of four months before instituting legal or administrative proceedings against the local union or the AFL-CIO or any officer of either. Such disciplinary action may include the suspension or removal of a local union official from union office, the expulsion from union membership of an official or member, or other penalty which is appropriate in the light of the circumstances.

35. **Procedure.** The constitution or bylaws of each Directly Affiliated Local Union shall prescribe the procedures to be followed in disciplinary proceedings under rule 34. These procedures shall provide that no disci-

plinary action shall be taken except for nonpayment of dues, unless the officer or member has been (1) served with written specific charges, (2) given a reasonable time to prepare his defense, and (3) afforded a full and fair hearing. Any officer or member against whom disciplinary action is taken by a local union may appeal the decision under rule 36, but during the pendency of any appeal the decision appealed from shall remain in full force and effect, unless stayed by the President of the AFL-CIO.

Appeals from Local Union Election Committee Reports or Disciplinary Proceedings

36. Any member of a local union may appeal from a report of a local union Election Committee to the President of the AFL-CIO; and any officer or member against whom disciplinary action is taken by a local union may appeal to the President of the AFL-CIO. Such appeal must be filed in writing with the President of the AFL-CIO within 30 days after notice of the report or of the action being appealed. The decision of the President may thereafter be appealed to the AFL-CIO Executive Council. Any such appeal to the Executive Council shall be filed in writing with the Secretary-Treasurer of the AFL-CIO within 30 days after notice of the President's decision. The decision of the Executive Council shall be final.

Transfer of Directly Affiliated Local Unions to National and International Unions, AFL-CIO

37. All Federal Labor Unions and Local Industrial Unions will continue to exist as local unions directly affiliated with the AFL-CIO. The AFL-CIO Constitution points out that the integrity of each Directly Affiliated Local Union shall be maintained and preserved. This means that Directly Affiliated Local Unions can remain as such as long as they so desire. It must be understood, however, that Directly Affiliated Locals can voluntarily agree to transfer their affiliation to

the National or International Union if they so desire. *This step should be taken only where there is some definite similarity as to the type of workers organized by the National Union concerned.*

Directly Affiliated Local Unions contemplating transferring to a National or International Union must take the following steps:

1. A thirty (30) day posted notice on all bulletin boards so that all members are advised of the contemplated transfer.
2. Notice to the President of the AFL-CIO when the thirty (30) day notice has been posted for the membership.
3. The vote as to whether or not to transfer must be by secret ballot and supervised by at least two Organizers of the AFL-CIO Organization Staff, appointed by the Regional Director in the particular area.
4. A complete audit of the books of the Directly Affiliated Local Union must be made prior to transfer so that all accounts with the AFL-CIO can be cleared up if a transfer should be approved by the membership of the Directly Affiliated Local Union.

Amendments to Local 3036, AFL-CIO, Constitution and By-Laws Ratified by Membership at February 11, 1969 Special Meeting

"Defense Fund Strikes, Lockouts"

Amendment No. 1

"The sum of five cents (5c) per member per month shall be deducted and set aside from each membership dues payment."

"Nominations And Elections Of Officers" "Executive Council And Trustees"

Amendment No. 2

"Only members in continuous good standing in this union for at least two (2) years prior to the opening date of nomination shall qualify as nominees or candidates for Officers, Executive Council and Trustees."

"Structure: Officers, Executive Council, Trustees"

Amendment No. 3

"The term of office for each of the officers and members of the Executive Council and Trustees shall be for a three (3) year period."

"Funds"

Amendment No. 4

"The Executive Council by a 2/3 vote may select and designate an alternate signator for all checks drawn upon the Union Funds."

"Revision In Dues And Initiation Fee Structure"

Amendment No. 5

(In conformity with the Landrum-Griffin Act, this section will be voted upon by secret ballot.)

"Membership dues shall be $3.50 per month for each member working four (4) days or more per week."

"Dues shall be $2.50 per month for part-time members working three days a week or less."

"An initiation fee of $10 shall be paid by non-members working four (4) days or more per week seeking membership in this union. Such initiation fee of $10 shall include the first month's dues."

"An initiation fee of $6.00 shall be paid by non-member part-timers working three (3) days or less per week seeking membership in this union. Such initiation fee of $6.00 shall include the first month's dues."

"Seventy cents (70c) of each member's monthly dues shall be set aside and placed in the Union Death Benefit Fund."

"General Membership Assembly"

Amendment No. 6

Delete the following:

"10% of the membership shall constitute a quorum.

"15% of the membership shall constitute a quorum for such meeting."

From AFL-CIO President Meany

March 18,1969

Dear Sir and Brother:

This is to acknowledge your letter of March 7 with attached amendments to the Constitution and By-Laws of Taxi Drivers Union, Local 3036, AFL-CIO, which were submitted for approval.

In accordance with Rule 3 of the Rules Governing Directly Affiliated Local Unions, I hereby approve the amendments as submitted.

With every good wish, I am

Sincerely and fraternally,
GEORGE MEANY
President, AFL-CIO

Any wording in this Constitution and By-Laws that in conflict with these adopted amendments shall be revised accordingly.

Feb-26-1969

TAXI DRIVERS VOICE

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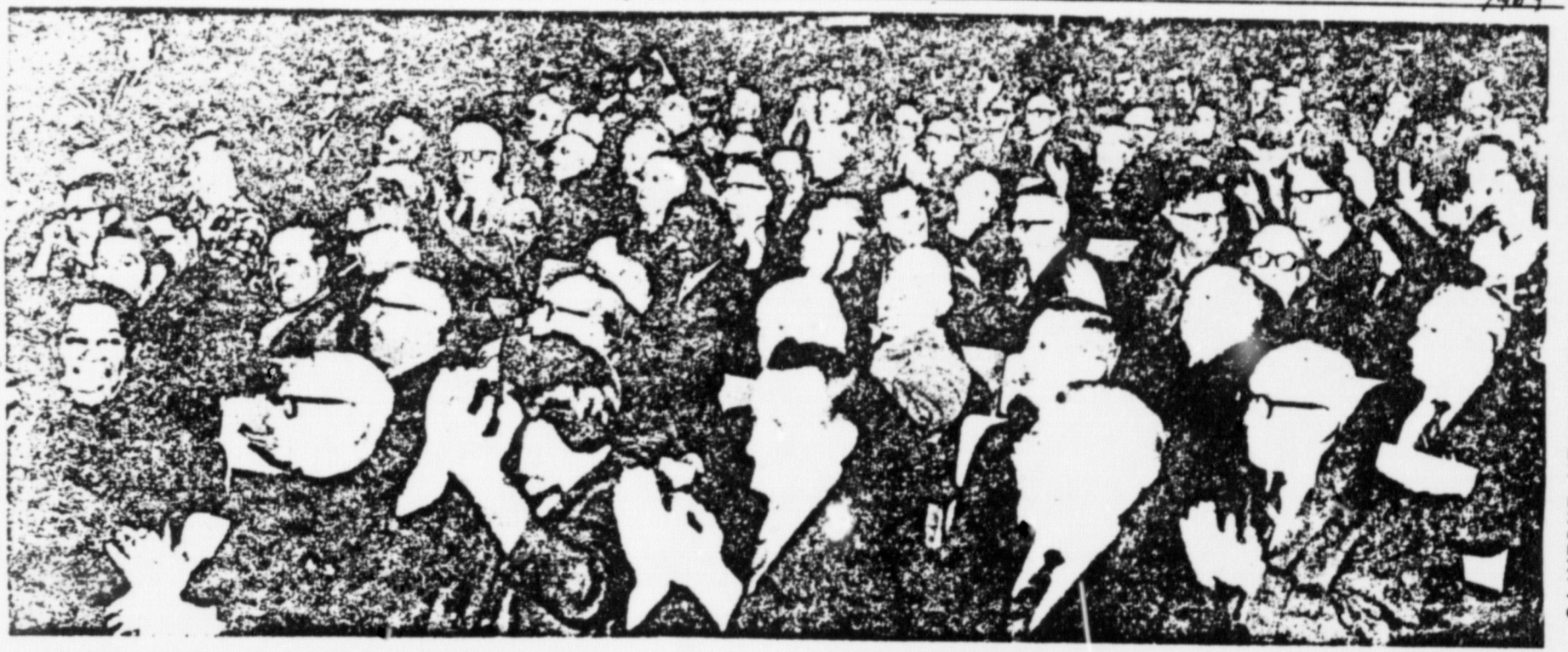

DESPITE ERRATIC TRANSIT FACILITIES due to snow and ice, a good turnout was present at Manhattan Center on February 11 to adopt all six proposed amendments by a phenomenal vote. Open discussion by members present before each vote left no one in doubt as to the importance of this meeting.

LANDRUM-GRIFFIN ACT was reason for secret ballot vote on Proposition No. 5. This proposed amendment calls for an adjustment in dues and initiation fees for the part-time employee. Also, an adjustment from 50c to 70c of each member's dues to be set aside and placed in the union's Death Benefit Fund. This, like all other amendments, was approved.

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At Special Membership Meeting

Members Overwhelmingly Approve Six Constitutional Amendments

Overwhelming approval of the six proposed amendments to the Constitution and By-Laws of Local 3036 were given by the members present at our special membership meeting, held at Manhattan Center, Tuesday night, February 11.

Despite the heavy snow, ice and erratic transit schedules a good turnout of members was present to hear President Van Arsdale read and explain the proposed amendments.

Members engaged in full discussion of all proposed amendments before the actual voting took place.

Five of the six proposals were voted on and overwhelmingly accepted. The last proposal, however, Amendment number 5, entitled, "Revision In Dues and Initiation Fee Structure," was voted on by secret ballot, in conformity with the Landrum-Griffin Act. The election was superbly handled and smoothly run, although it was a time-consuming process.

When the results were tabulated, it showed overwhelming acceptance.

For those who were unable to attend this important special meeting, we reproduce this Proposed Amendment Number 5, below:

- "Membership dues shall be $3.50 per month for each member working four (4) days or more per week."
- "Dues shall be $2.50 per month for part-time members working three (3) days a week or less."
- "An initiation fee of $10 shall

(Continued on page 3)

A Long Year's Work Pays Off

Impartial Chairman's Award Is Triumph for Inside-Men

Many Inside-workers of Local 3036 will receive retroactive checks to January 29, 1968 as a result of the Equalization Award handed down by the Impartial Chairman of the Taxicab Industry, Eric J. Schmertz. In addition, many other members will benefit, as inequities are eliminated due to wrong classifications, or other inequalities in wage-rates. The long-awaited Award was given Tuesday, February 4, and gave the employers involved 30 days to reimburse their inside-workers the difference in wage-rates awarded over the rates they have been paid for the past 13 months.

Impartial Chairman Schmertz gave his award (for detailed summary, see page 4) as a result of five meetings with officers of Local 3036, and after serious study of countless pages of facts, figures and graphs submitted by Trea-

(Continued on page 3)

Goodman's Son Dies In Vietnam Action

It is with deep regret that we report the death of Private Bruce Goodman, son of Michael Goodman, night driver for Cab Operating, who was killed in action in Vietnam while on patrol.

Private Goodman, was a member of the Fifth Marine Regiment at the time of his death. His father, Michael, has been a taxi driver for the past 13 years.

Local 3036 To Provide Job Opportunities For Members' Children

Our union, in cooperation with Jo Burnell, Area Manpower Director, a Thomas Scotland, Director of the You Corps Program of the N.Y.C. Centr Labor Council, AFL-CIO, are in a po tion to provide some jobs for any of o embers' children, who are in need work.

This meaningful program will do mu to provid a decent future for thc member's children who have difficulty securing employment. We also ur these young people to continue th education even while working, and our Education department can be help, we stand ready to do what we cs

Local 3036, along with other lal unions in this city, is seeking to pr vide equal oportunities for all. F further information and interview a rangements, please call John Burnel Department — MU 5-9552.

Our Gratitude to An Honest Driver

The men at 57th Management a proud of the fact that the honest driv who found and returned $700 worth jewelry and $65 in cash, and return it to its rightful owner, is non oth than Frank Gravina.

For Summary Of Inside-Workers Awar

ILLEGAL CAB PROBLEM was chief topic discussed on nighttime discussion show over radio station WEVD, recently. Administrative Assistant, Thomas M. Iandoli, right, gave radio listeners many valid reasons for the need for proper law enforcement against this ever-growing problem. Councilman Bertram Gelfand, left, co-sponsor of the Gelfand, Corso, Curtis bill which was signed last year by the mayor, to control illegal operations but unfortunately not enforced, agreed in all respects with Iandoli's statements. Arthur Gore, center, *Taxi News* editor, was moderator.

Planning, Patience And Pluck Provide Perfect Prize

Although credit for the long-awaited Equalization Award must be shared among many officers of Local 3036 who participated in the many meetings with the Impartial Chairman, Eric J. Schmertz, Treasurer Teddy Smith, Chairman for the Inside-workers must be singled out for special mention.

His diligence, sincerity, hard work and perseverance on behalf of the men he represents will pay handsome dividends to many of our lowest-paid members who do a splendid job of keeping our cabs in tip-top shape, day and night, 365 days a year.

Smith, 53, happily married and father of three children, worked as night-mechanic for Cornell in the Bronx. He has repaired taxicabs for the past 25 years, and became interested in unionism soon [illegible] organizing attempt was made. Introduced [illegible] dale at a City Hall meeting back in 1964, he asked if the inside-men were to be [illegible] by the union being formed.

that day to this, Smith has reamed of improving the lot low-workers. With [illegible]

Members Approve

((Continued from Page 1)

be paid by non-members working four (4) days or more per week seeking membership in this union. Such initiation fee of $10 shall include the first month's dues."

- "An initiation fee of $6.00 shall be paid by non-member part-timers working three (3) days or less per week seeking membership in this union. Such initiation fee of $6.00 shall include the first month's dues."
- "Seventy cents (70c) of each member's monthly dues shall be set aside and placed in the Union Death Benefit Fund."

Gas Leak Danger Diverted by Sarton

The keen eye (and nose) of Sergeant Phil Sarton was instrumental in averting a [illegible] in a security residential [illegible] last January 21. An explosion caused a man-hole cover to shoot up in the air, and the area near Ocean Ave. and [illegible] covered by the [illegible] directions and diverted them elsewhere.

His quick thinking and action was lauded by fire and police officials, and he [illegible]

Chairmen Award

the understanding that [illegible] from a 10-year-course in psychiatry, as well as a good deal of old-fashioned courage, is being a taxi driver in this city of New York."

Earlier, his rich, vibrant, tenor voice was heard above others in singing "Hap-

An officers' meeting [illegible] conclusion of the Advisory Council ing, in which the Impartial Chairman Equalization Award (which was received only hours before) was discussed in detail.

MAYOR LISTENS CAREFULLY to Administrative Assistant Thomas M. Iandoli's speech in which he stressed the sincerity and dedication of the chairmen present who represent over 39,000 members of our industry. Mayor's surprise visit took place at the Advisory Council meeting at the Prince George, recently. Left to right: Michael Mann, Reg. Dir. AFL-CIO; President Van Arsdale; Lindsay; Iandoli; Donald Menagh, attorney, and Secretary Joseph Paradise.

This Is Important

WILL YOU BE 65 SOON? [illegible]

[illegible] continued Hospital and Medical coverage it is im[illegible]

[illegible] wives approaching their [illegible] birthday to sign up for Medicare Part [illegible] at the [illegible] security office 3 month[illegible]

Important: Attend SPECIAL City-Wide Membership Meeting

Tuesday, February 11, Manhattan Center, 8:00 P.M.

TAXI DRIVERS Voice

Published by
TAXI DRIVERS UNION LOCAL 3036, AFL-CIO
386 PARK AVENUE SOUTH, NEW YORK, N.Y. 10016

Affiliated with NEW YORK CITY CENTRAL LABOR COUNCIL, AFL-CIO

Vol. 4, No. 1

68

January 24, 1969

Local 3036 Officers Fight For Passage of Bill To Control Illegal Cabs

At a public hearing at City Hall held Thursday, January 16, officers of Local 3036 fought for passage of Local Law No. 893 introduced by Councilman Domenick Corso last December 10.

This amendment to the administrative code in relation to private liveries says in effect: All private livery cars that are painted to resemble licensed taxicabs must have the legend printed in letters two inches high, set in a shield on the front door, "Private Livery. Pickup while cruising prohibited." However black and dark-colored vehicles used for hire are exempt from this law.

Kenyon Finds Stolen Taxi

Recently, Marvin Kenyon, 31, niteliner for Forest garage, Bkooklyn generated some excitement outside the Coliseum, by apprehending the thief of a stolen cab missing from his garage.

When starting his shift, he was [illegible]

Joint Scholarship Committee

riginal bill [illegible] with modification Gelfand and the late Sam Curtis. The riginal bill, known as Local Law No. 8 was approved by the City Council y a vote of [illegible] to six on February 27, 968. It was returned into law by the ayor on March 26, 1968, but unfortunately was not enforced.

The late Councilman J. Daniel Diggs, troduced an amendment last year to ecure delay claiming it to be a form discrimination and that the wording required in the original Gelfand, orso, Curtis bill was impractical as he height of the lettering required as to be six inches high.

(Continued on Page 11)

[illegible] of which was stamped on his [illegible]sheet. After a while, Kenyon found himself with a fare in midtown, and was suddenly cut-off by an empty cab. Recognizing the cab as belonging to [illegible], he checked the number and struck pay dirt, as it was the stolen vehicle.

Advising his fare of the situation he was told to continue following as passenger was interested in the outcome. Kenyon agreed, and gave chase.

Spotting a patrol car going in the opposite direction, Kenyon flagged them down, told his story, and before the thief had moved away, was caught redhanded. For his keenness and perserverance, Kenyon was lightly rewarded.

INSIDE-WORKERS TOLD

Impartial Chairman's Award Expected Soon

A well-attended meeting of Inside-workers, some of whom brought their wives along, took place at the Prince George Hotel, Sunday night, January 19. They were welcomed by newly-appointed Administrative Assistant to the President, Thomas M. Iandoli.

Treasurer Teddy Smith, Chairman of the Inside-workers, chaired the meeting and told the audience that many members present there that night would be affected by the ruling on the equalization of classification categories expected any day, from the Impartial Chairman of the Taxicab Industry, Eric J. Schmertz.

"Any awards made, regarding the equalization of the classification categories," Smith said, "would be retroactive to January 29, 1968."

Speakers, all of whom were well received by the inside-workers, included: President Van Arsdale, Michael Mann, Regional Director, AFL-CIO; Donald Menagh, attorney; Vice President Ray

(Continued on Page 11)

AT RECENT SESSION, Scholarship Committee discussed ground-rules for our fourth union-industry sponsored College Scholarship Awards to be made to our members' children. Standing, left to right: Hy Bailin, Director of Education; James Simms, Secretary; Administrative Assistant, Thomas Iandoli; and President Van Arsdale. Seated: Donald Menagh, union attorney, Donald Chipman and Sidney Rosenblatt, fleetowners; Maurice Goetz, MTBOT attorney; and Charles Riley, fleetowner. See story on page 10.

FEDERAL CREDIT UNION EXAMINER Warren Rowe, making his yearly audit of our member's Credit Union accounts, as required by Federal law, was pleased to announce that our books were accurately and legibly kept. At our present rate of growth, he said, we will be the largest in the city within six months. Shown left to right: Staff members, Ramon Velez and John Roche; Inspector Rowe; Administrative Assistant, Thomas Iandoli; and Credit Union President, Howard Williams.

Study Proposed Amendments To Constitution (page three)

Attend SPECIAL Meeting, February 11, And Vote!

PROPOSED AMENDMENTS

To Constitution and By-Laws

New York City Taxi Drivers Union

Local 3036, AFL-CIO

To be voted on at a

SPECIAL MEMBERSHIP MEETING

Tuesday, Feb. 11, 1969 at

Manhattan Center

New York City

at 8:00 P.M.

24

"Defense Fund Strikes, Lockouts"

Proposed Amendment No. 1

"The sum of five cents (5c) per member per month shall be deducted and set aside from each membership dues payment."

"Nominations And Elections Of Officers" "Executive Council And Trutees"

Proposed Amendment No. 2

"Only members in continuous good standing in this union for at least two (2) years prior to the opening date of nomination shall qualify as nominees or candidates for Officers, Executive Council and Trustees."

"Structure: Officers, Executive Council, Trutees"

Porposed Amendment No. 3

"The term of office for each of the officers and members of the Executive Council and Trustees shall be for a three (3) year period."

"Funds"

Proposed Amendment No. 4

The Executive Council by a 2/3 vote may select and designate an alternate signator for all checks drawn upon the Union Funds.

"Revision In Dues And Initiation Fee Structure"

Proposed Amendment No. 5

(In conformity with the Landrum-Griffin Act, this section will be voted upon by secret ballot.)

"Membership dues shall be $3.50 per month for each member working four (4) days or more per week."

"Dues shall be $2.50 per month for part-time members working three days a week or less."

"An initiation fee of $10 shall be paid by non-members working four (4) days or more per week seeking membership in this union. Such initiation fee of $10 shall include the first month's dues."

"An initiation fee of $6.00 shall be paid by non-member part-timers working three (3) days or less per week seeking membership in this union. Such initiation fee of $6.00 shall include the first month's dues."

"Seventy cents (70c) of each member's monthly dues shall be set aside and placed in the Union Death Benefit Fund."

"General Memberhip Assembly"

Proposed Amendment No. 6

Delete the following:

"10% of the membership shall constitute a quorum.

"15% of the membership shall constitute a quorum for such meeting."

Any wording in this Constitution and By-Laws that is in conflict with these adopted amendments shall be revised accordingly.

SPECIAL MEMBERSHIP MEETING

NYC TAXI DRIVERS UNION LOCAL 3036, AFL-CIO, MANHATTAN CENTER, FEB. 11, 1969

OFFICIAL BALLOT

(In accordance with the 'Labor-Management Reporting and Disclosure Act of 1959 as Amended' the following amendment proposal to the Constitution and By-Laws of the Taxi Drivers Union, Local 3036, AFL-CIO is to be voted upon by secret ballot of the membership.)

"REVISION IN DUES AND INITIATION FEE STRUCTURE"

Proposed Amendment No. 5

"Membership dues shall be $ 3.50 per month for each member working four (4) days or more per week."

"Dues shall be $ 2.50 per month for part-time members working three (3) days a week or less."

"An initiation fee of $10 shall be paid by non-members working four (4) days or more per week seeking membership in this union. Such initiation fee of $10 shall include the first months dues.

"An initiation fee of $6.00 shall be paid by non-member part-timers working three (3) days or less per week seeking membership in this union. Such initiation fee of $6.00 shall include the first month's dues."

"Seventy cents (70¢) of each member's monthly dues shall be set aside and placed in the Union Death Benefit Fund."

DO YOU FAVOR THE ADOPTION OF "PROPOSED AMENDMENT NO. 5" AS STATED ABOVE?

(Indicate your choice by marking a cross (X) or check (✓) in the box of your choice.)

YES ☐

NO ☐

A 201 Affidavit of Service by Mail

LUTZ APPELLATE PRINTERS, INC.

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

NEW WATCH -dOG COMMITTEE, et al
Plaintiffs- Appellants

- against -

HARRY VAN ARSDALE et al,
DEFENDANTS_ ABBBCCDDEEK Appellees.

Index No.

Affidavit of Service by Mail

STATE OF NEW YORK, COUNTY OF NEW YORK *ss.:*

I, Eugene L. St. Louis *being duly sworn, depose and say that deponent is not a party to the action, is over 18 years of age and resides at*

1235 Plane Street, Union, N.J. 07083

That on the **5th** *day of* **January** *19* **76** *, deponent served the annexed* Exhibit

Folder *upon* **see attached** *attorney(s) for*

see attached *in this action, at* **see attached**

the address designated by said attorney(s) for that purpose by depositing a true copy of same, enclosed in a postpaid properly addressed wrapper in a Post Office Official Depository under the exclusive care and custody of the United States Post Office Department, within the State of New York.

Sworn to before me, this **5th** *day of* **January** *19* **76**

Eugene L. St. Louis

Print name beneath signature

EUGENE L. ST. LOUIS

ROBERT T. BRIN
NOTARY PUBLIC, State of New York
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